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MISAPPREHENSIONS IN REGARD TO CURRENCY.

Many serious mistakes were made by business men and money operators at the close of the late war, owing to their confident belief that a general monetary revulsion must attend the return of peace. That there would be a terrific explosion as a matter of course, attended with an immense fall in prices they felt to be certain, and therefore hastened to make large sales of merchandise at such low rates that they were, in many cases, glad to repurchase the very articles they had parted with at a considerable advance, when they found the expected catastrophe did not take place. The same feeling of apprehension in regard to a monetary panic has existed from that time to the present, though it is evidently becoming less influential.

Much of this fear has arisen from not distinguishing between our present currency and our former mixed convertable currency. Our present currency consists wholly of credit. The national Treasury has issued some 400 millions, and the banks 300 millions more, in all 700 millions, and with this the domestic trade of the country is carried on. The government wishes to keep out its full issues and the banks desire to maintain their circulation, and consequently there is no cause whatever, for any contraction. Unlike a mixed currency which from its very nature is liable to

continual fluctuation, an irredeemable credit currency, unless the law making power interferes to expand or contract it, remains stationary. Under our present system when money is paid into a bank, it is immediately loaned out again to its customers. The banks have no fears of being called upon to redeem their notes in specie, and there is no necessity or wish on their part to contract their operations, and therefore they put out their notes as fast as they are paid in. This being the case, why should any one who understood the matter have had any fears of a panic at the close of the war? Panics can only come from a loss of confidence in the currency or a forced or sudden withdrawal of that currency, and as confidence was increased by the closing of the war and no sudden withdrawal to be expected, all fears of such a disaster were groundless.

So at the present time, all apprehensions of a great scarcity of money owing to an expected demand from the West have proved false. The currency is now a fixed quantity, the whole is at the disposal of the commercial public. Besides the 700 millions of circulation we have over 600 millions of bank deposits, in all 1,300 millions, against 450 millions before the war. How little chance then is there for any panic or even a general and severe pressure unless we can make a demand which shall suddenly draw off a large amount of this currency from the centres of trade? No such demand is under the circumstances at all probable. There is at present very limited opportunity for speculation. Breadstuffs and provisions are so abundant that there is little disposition to operate in them for a rise; so of cotton; so of manufactures. The day for general speculative movements on the present currency basis has passed by. The national industry disturbed by the war, is now restored; production in every department is equalized; consumption is reduced from its national dimensions by the high prices of commodities as compared with wages; and as a consequence although there must be a large trade to meet the necessities of the people, there cannot be so extensive and brisk demand for merchandize, as there would be in a normal condition of the currency when all values were measured by the true standard, and each class in the community received its due share of the general product.

Our depreciated currency has produced a partial paralysis of business which must continue until the specie standard has been restored. Hence no expectations can be reasonably entertained of any excessive demand for money, or any great rise in the rate of interest. The most marked features of trade and industry will be dulness and inactivity, until the currency has been brought to par with gold. When a movement for that purpose has been fairly inaugerated, and a gradual withdrawal of a given quantity of circulation each month has been commenced, prices will begin to descend to their natural level in the commerce of the world. But

no panic need attend this contraction, because, although the currency will be reduced from time to time, the process will be well understood beforehand, and the indebtedness of the country will be contracted in a corresponding ratio, so that all obligations to pay money will be met as readily as before; while the prices of commodities being lessened by the very process of contraction, less currency will be needed to transact the same amount of business. When the true point has been attained, which will be indicated by the currency being at par with specie, the rate of interest will be no higher than it has usually been when trade was in a sound and healthy condition.

There is no danger then of any essential disturbance in the monetary affairs of the country except from political causes. How imminent that danger may be, each one must determine for himself in view of the circumstances which affect the condition of the nation.

NATIONAL ASSOCIATION OF COTTON MANUFACTURERS AND PLANTERS.

At a meeting of the government of this association, held in New York on the 6th October, 1868, the following reports were adopted. We give them in full, on account of the general interest felt in the subject, and the importance of the facts presented:

REPORT OF THE STATISTICAL COMMITTEE.

The committee have expected, until within the last four days, to obtain reports from the cotton mills of the country so nearly full and complete, that they would serve as a safe basis for a report exhibiting the actual consumption of cotton, and other interesting and valuable information.

The secretary sent out circulars addressed to some person connected with every cotton factory of which he had knowledge in the United States, asking from each the few items of information which any practical manufacturer or his clerk could easily give.

In behalf of the association the committee acknowledge, with thanks, its obligation to the great body of manufacturers who have supplied the desired facts, a summary of which will be herewith presented. To those who have not yet made the returns we once more appeal, and invite their examination of the statistics so far gathered, and the deductions from them, as an indication of the value of trade statements to be compiled from complete returns. We believe the default has been, in most cases, not one of refusal, nor even of reluctance, but rather of postponement or indifference.

If any withold through fear that the details given will be subject to

inspection, we repeat to them the assurance given by the secretary, that these returns are seen only by him, and are regarded by him as confidential. Even this committee consider only the aggregates and averages which the secretary prepares from them.

The United States census of 1860 embraced returns from 1,091 cotton mills, having 5,235,727 spindles, and using 422,704,975 pounds of cotton, equal to about 920,000 bales per annum (80 pounds per spindle).

So far the association has received the reports of 548 mills or corporations. They have 5,968,000 spindles, produce yarn of sizes that average No. 27¼, and use annually 371,688,716 pounds of cotton, equal to 808,000 bales of 460 pounds each (62¼ pounds per spindle).

SUMMARY OF RETURNS FROM COTTON MILLS RECEIVED TO OCT. 1, 1868.

State.	Mills.	Spindles.	No. Yarn.	Consumption.	Consumption per Spindle.
Maine...............	20	443,692	22½	28,824,6''8	64.96
New Hampshire....	83	718,604	26½	47,?51,439	65 75
Vermont...........	8	21,146	28½	1,097, 25	51 88
Massachusetts	132	2,205,007	26½	128,78?,576	?8.40
Rhode Island........	95	9 5,402	34⅝	41,246,628	44.10
Connecticut	67	504,620	30½	26,555,120	52.62
New York..........	38	410,930	32½	20,408,044	49.65
New Jersey.........	13	131,704	4 ⅞	6,780,000	51.48
Pennsylvania........	46	264,644	18½	25,160,''69	95.07
Delaware...........	8	46,052	16⅝	3,478,280	75.53
Maryland...........	10	39,358	12½	6,929,000	183.63
Ohio	4	22,834	12½	3,170,000	138.82
Indiana	1	10,800	14	1,493,061	138.26
Missouri	4	13,4'6	10⅝	2,475,000	184.28
Virginia	10	36,060	15⅓	4,010,000	111.18
North Carolina	10	16,234	1 ⅞	2,464,000	151.16
South Carolina	6	31,588	13⅝	4,174,100	132.14
Georgia	19	65,314	12⅝	10,226 350	156.57
Alabama	7	22,196	14½	2,629,916	11?.49
Mississippi	5	6,924	8⅝	1,18 ,0 0	170 42
Texas.	3	6,'00	10½	1,125,0 0	173.53
Arkansas	1	528	8	158,400	300
Tennessee	6	5,864	9⅝	1,150,000	12?.74
Kentucky..........	2	5,264	10	925,000	175.72

RECAPITULATION.

Northern States	479	5,768,229	27¼	343,645,950	59.57
Southern States	69	199,772	12⅞	28,042,766	140.37
Total	548	5,968,001	27⅝	371,688,716	62.28

The total returns received up to October 6 show the following results:

556	6,048,249	27⅝	376,003,290	62.17

If there are in the country as many cotton mills as were reported in 1860, and no more, there are yet 543 mills to be reported to the association.

The 548 mills already reported have an average of nearly 11,000 spindles to each mill. The mills not reported must necessarily be of much smaller average.

It has been the purpose of this committee to take nothing by conjecture or estimation, and to deal only with ascertained facts, so presenting them that they shall convey truthful impressions.

In the absence of the returns of a portion of the spindles, there is a temptation to estimate this smaller portion, and then proceed to make deductions from the premises so obtained. It would, however, be a step in the wrong direction, leading perhaps to self deception.

The returns from nearly six millions spindles show the annual use of about 808,000 bales of cotton in the production of yarns averaging in size No $27\frac{3}{8}$. The States north of the Ohio and Potomac Rivers, and the States south of those rivers, returns respectively, so far:

	Mills.	Spindles.	Av. No. Yarn.	Using lbs. Cotton.	Lbs per Spindle.
North...............	479	5,768,229	$27\frac{7}{8}$	343,645,950	59.57
South...............	69	199,771	$12\frac{1}{8}$	28,042,766	140.37

These aggregates and averages bear intrinsic evidence of accuracy in their consistent relations and proportions. They show a use of 747,000 bales of cotton north, and 61,000 bales south of the Ohio and Potomac Rivers; also the wide difference in the size* or weight of the yarn produced in the two sections. Complete returns from both sections would probably modify both and reduce the difference.

From these data, compared with the census of 1860, any person so disposed can readily compute, to his own satisfaction, the total number of spindles, and thereupon the total consumption of cotton.

The committee regret that they have been unable to get the full returns in time for this report.

The committee present in compact form, some facts afforded by the complete and accurate statistics of British cotton trade and manufacture, annually compiled in that country. They will be found interesting to American manufacturers and planters, as throwing some light upon the supply of *cotton goods and yarns* during the last nine years, compared with the supply during the ten years preceding; also upon the extension of markets for those products, and the comparative stocks or surplus existing in 1860 and now.

British statistics give the requisite information of about one-half the cotton business of the commercial world.

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* NOTE.—To persons not familiar with manufacturing, it should be explained that the number given to express the size or weight of yarn, indicates the number of skeins or hanks, of 840 yards each, required to weigh one pound avoirdupois.

They exhibit the following aggregates for the period named:

	Pounds cotton consumed.	Waste lbs.	Pounds of goods and yarns produced.	Lbs. of goods & yarns expo'd & cons'd in G. Bt.
10 yrs, 1850–59..	8,235,896,000	865,896,000	7,370,000,000	7,064,762,620

Showing an accumulation of 305,237,380 pounds in the nine years.

9 years, 1860–68.	7,236,149,000	901,342,000	6,334,807,000	6,420,389,000

Showing a deficit in production of 85,582,000 pounds in the ten years.

Totals..........	15,472,045,000	1,767,2[illegible]8,[illegible]00	13,70[illegible],807,000	13,485,151,620
Av per yr. first 10	823,589,600	86,589,600	737,000,006	706,476,262
" last 9.......	804,016,555	100,149,111	703,867,444	713,376,555

The *waste* is stated very nearly as in the English tables; that for the last nine years being much heavier than for the previous ten years, because of the poorer qualities of cotton necessarily used through the years of scarcity, 1862–6. The quantities for 1868 are, of course, not assumed to be actual. Enough, however, is known of the proportions they bear to those of former years to demand approximation to those of 1860, the largest ever known, and they have been so computed.

The remarkable feature here developed is that the consumption in Great Britain, and the export of cotton goods and yarns have exceeded their production in the aggregate of the last nine years to the extent of 85,582,000 pounds. It is obvious that this deficiency occurred in the years 1862–4, when the supply of cotton was so much reduced, and was made good from the accumulations of previous years. It does not appear that all the surplus productions, which had piled up before 1861, and which threatened great disaster to the manufacturing interest at that time, have yet been distributed to consumers. Here, as in England, attention has been called frequently during the last two years to the extraordinary shipments of British cloths and yarns to India, each half-year increasing upon the preceding. Explanation is given by the statement that the raw cotton formerly used in India has been attracted to Europe by the high prices; that the home manufacture formerly supplying that people with good and durable cotton cloth has been materially diminished, thus opening a demand for the English fabric; and that the enhanced prices for cotton and other Indian products have more than doubled the wages of laborers, and greatly enlarged the ability of the ryots and other poorer consumers to buy the British goods. (See note †.)

† NOTE.—From the circular of George Fraser, Son & Co., of Manchester, England, dated Sept. 1, 1868, we take the following comparative quantities of plain and colored cotton cloths exported from London, Liverpool, and the Clyde to Madras and Calcutta, to Bombay and to China.

During the whole year 1866	825,431,905	yards.
" " 1867	1,066,814,613	"
From Jan. 1 to Aug. 26, 1868	832,521,700	"

It will be observed that in these items only of British trade, the increase of 1867 was nearly 30 per cent upon the export of 1866, and that for nearly 8 months of 1868 the rate is 17 per cent above that of 1867, while the aggregate for the 8 months is more than for the whole year 1866. The business for August though only to the 26th day, was larger in amount than the average per month of the first six months of 1868, the lower prices of July having induced renewed activity.

During the last nine years the population of the world known to British commerce has increased; new markets have been opened or extended; and if the enormous trade with India is to be considered permanent on the scale of the last twelve months, it is not easy to see anything but excessive prices that can check the expansion of British cotton trade while peace continues its protecting and encouraging influence.

In the absence of the necessary statistics, no satisfactory exhibit of th cotton trade and manufacture in Continental Europe can be given. There are, however, some significant facts to show that the continent stands in relation to the supply of, and demand for, cotton fabrics, in a position similar to that of Great Britain. After a larger importation of raw cotton than during the year preceding, they stand now (Oct. 1) with stocks of cotton much less than they held Oct. 1, 1867, and so low indeed that their drain upon Liverpool is seriously felt. This tells of the increase of consumption.

In regard to our own country, the following suggestive comparison is presented. While regarding what is to follow, with much confidence in its truth and value, the Committee adhering to its rule, request that it be taken as hypothetical until verified.

The consumption of cotton North and South, in the United States, as stated in the New York *Shipping List*, for the eight years 1853 to 1860 inclusive, amounted in its aggregate to 6,339,300 bales, an average of 792,412 bales, say for convenience 800,000 bales per annum.

Cotton statistics were not regularly kept and published during the late war, and for the few data accessible to us the committee are indebted to some careful and practical manufacturers who kept private memoranda, and two of whom, in 1862 and 1863, prepared careful reports upon the cotton manufacture, for the annual publication of the Boston Board of Trade. At certain points between the Spring of 1861 and the close of the year of 1865, the number of spindles at work was approximately ascertained. Starting with these points fixed, the Committee have obtained also estimates by several manufacturers, all of whom were running mills throughout the war, of the proportion that each year from 1861 to 1868 bears to the average of the eight years preceding, in the supply of cotton goods produced, taking the latter average at 100.

These estimates, independently made, stand thus:

		No. 1.	2.	3.	4.	5.	Sum of them.	Average.
1861.	per cent.	75	60	62.5	60	75	382½	66½
1862.	"	35	35	37.5	40	33⅓	180 5-6	36 1-6
1863.	"	40	35	37.5	40	33⅓	185 5-6	37 1-6
1864.	"	45	35	37.5	50	33⅓	200 5-6	40 1-6
1865.	"	60	75	60	60	75	330	66
1866.	"	75	80	80	75	80	390	78
1867.	"	110	100	100	90	115	5 5	103
1868.	"	115	115	110	100	120	560	112
	"	555	535	525	515	565	2.695	539

The resulting average is 539 for these eight years, as compared with 800 for the eight years, 1853–60. The consumption of those years was stated at 800,000 per annum. Owing to the poorer quality of cotton obtainable during the war, many more pounds were required to get an equal production. Allowing five per cent for the extra waste, the proportion above found, 539–800, would require an average consumption of 565,750 bales of 480 pounds each per year, from 1861 to 1868, or, stated year by year in due proportion, thus:

1861 .... bales	558,600	1865 .... bales	554,400
1862	303,800	1866	655 200
1863	812,200	1867	865,200
1864	337,400	1868	949,800

Let it be noted here that while the average weight of American bales consumed at home in the years 1859 and 1860 was nearly or quite 480 pounds, the weight since 1865 averages rather under 460 pounds. This difference, if allowed, would raise the above figures of consumption, 1861 to 1868, nearly 4½ per cent. The figures thus derived from data wholly different from those used in compiling the annual statements, are interesting as nearly confirming the estimates by the latter of the home consumption.

But the more important fact developed by the comparison of the production of the two periods, is this; according to the calculations thus obtained, the production of cotton goods for the last eight years compared with the production during the eight years preceding, has been as 539 to 800, or only 67⅜ per cent; an actual diminution of nearly 33 per cent during a period when there was an increase of population more than 30 per cent, requiring a corresponding increase of supply. The sum of these represents the deficiency now, compared with 1860. True, the foreign export of cotton goods ceased and the Southern markets were cut off, but the aggregate of both would not make good a moiety of the deficiency. That h s been in part supplied from the old reserves in families and with traders, eked out by the economies enforced at first by war prices, nd since continued under an expectation of a return to the ante-war scale of prices.

The conclusion seems irresistible, that the old stores of cotton cloth and other fabrics throughout our country are now exhausted; and this explains the fact that a demand from consumers, imperative and sustained by necessity, has already begun.

The position of the cotton trade and manufacture in Great Britain and Continental Europe, from the operation of like causes, is the same as with us, differing however in degree, and modified by the influence of price and the substitution more or less of other textiles for cotton.

The depression in the cotton-goods trade, now subjecting many manufacturers on both sides of the Atlantic to an average loss, is under the circumstances anomalous, sustained by an erroneous estimate of the capacity for supply, and by the expectation of the trade that the extreme decline at the close of 1867 may be repeated this season.

The report of the Committee on Raw Material will show an apparent loss in the stocks of cotton in the world during the year ending Oct. 1, 1868, to the extent of more than 300,000 bales, the consumption of raw cotton having so far exceeded its supply, yet apparently failing to fill up the gap in the supply of cotton fabrics, caused by the short production of the years of the war.

REPORT OF THE COMMITTEE ON RAW MATERIAL.

Cotton is the only raw material properly under the consideration of this Committee for the purposes of the Association, and the question of supply in relation to demand is the chief point of interest alike to planters and manufacturers.

Sure of ample supply, the American manufacturer looks at the cotton of other countries only in its bearing upon price. The manufacturer in Europe has to consider both the questions, of supply and price, and cannot overlook the influence that price has upon supply from distant sources as well as the constant bearing of supply upon price.

The stocks of cotton in Europe Oct. 1, 1867, amounted to 1,092,000 bales. On the first of the present month there were only about 600,000 bales, or about 500,000 less than last year. There were at sea, for England, 282,000 bales more than last year, and the import since January 1 is 220,000 bales less. On the other hand, an increased import direct to the continent compensates in part, and then the fact remains that a loss of over 300,000 bales, compared with the position a year ago, has been incurred, showing that the consumption has to that extent exceeded the supply.

The time has not yet arrived when a useful estimate can be made of the incoming crops of our own or other countries. Of the American crop our factories, if at full work, will want at least 1,000,000 bales for the year's consumption: and as the experience of this season has shown, the the inconvenience and hazard of allowing the stocks in mills and markets to run nearly out, (quite out in some mills) it is supposed that the position for the close of the cotton year (August 31), will be strengthened by the addition out of this crop of 100,000 bales or more, to the surplus in mill and market.

This appropriates 1,100,000 bales of the crop to be retained for home use, and probably to be retained whatever may be the price.

In Great Britain the supply for the year ending Dec. 31, stand approximately as follows:

		bales.
Stock, Dec. 31, 1867		447,460
Import to Sept. 17, Liverpool and London		2,534,495
Import after Sept. 17, 1867, was	600,000	
Add this year—from India, delayed	200,000	
" the United States (new)	50,000	
		850,000
Total supply		3,831,955
Deliveries to Sept 17, Liverpool and London, to trade	2,025,082	
For export	443,741	
	2,468,823	
Estimate for 14 weeks (to Dec. 31) trade and export, at 70,000 per week	980,000	3,448,823
Leaving stock Dec. 31, 1868, about		383,132

The excess of consumption (in the world) over the supply of 1868, seems to say that consumption must be reduced, or supply increased, because it is in the nature of things quite impossible that the surplus stocks, now so low, shall ever be much more reduced without stopping part of the consumption.

The evidences of the extent of supply for 1869 are not at all clear, and the extremely unfavorable weather since Sept. 1st has increased the obscurity about the result of our own crop. In the midst of these uncertainties, the Committee defer any calculati n of the supply, as of the demand upon it, until the probabilities shall be better developed.

RAILROAD EARNINGS.

It is satisfactory to note a steady gain in the earnings of our railroads; satisfactory not only as an evidence of the prosperity of the roads but also as indicating an improvement in the internal commerce of the country. While there is no advance in the rates of transportation, and yet an increase in the earnings, it is clear that a large amount of freight is pass ing over the roads; and this we take to be an incontestable evidence that, despite the current complaints and croaking, there is yet a steady gain in the general trade of the country, Within the last three or four years, there has been in progress a great deal of pioneer development which has been little noted in the Eastern cities. The pressure of taxation and high prices have forced population toward the outskirts of our newly settled sections, where cheap and fertile lands bestow a better return for labor than almost any other branch of industry; and the quiet of

trade in the cities has also induced an unusual proportion of emigrants to seek their fortunes in the same direction. We have thus had an important settlement of population along the routes of the Western roads who have raised a large amount of heavy freight to be transported. At the same time, the Western companies have stretched out their lines into the sparsely settled regions, carrying population with them. The expansion in the agricultural sections has naturally increased the traffic of the roads and of the lines connecting the West with the seaboard. From the returns of fourteen roads it appears that there has been an increase in the gross earnings of the first nine months, from $45,598,356 in 1867 to $49,879,064 in 1868; or nearly ten per cent. The earnings on the same roads for the month of September were $7,829,797 against $7,189,034 in 1867; which shows a ratio of increase about the same as that for the previous eight months. The following are the gross earnings of these companies for the month of September and the first nine months of the year, in 1867 and 1868:

Railroads.	September 1867.	September 1868.	Nine Months 1867.	Nine Months 1868.
Atlantic and Great Western	$483,857	$477,795	$3,819,460	$3,463,849
Chicago and Alton	408,998	488,155	2,776,837	3,266,787
Chicago and Northwestern	1,451,284	1,518,483	7,991,138	9,717,403
Chicago, Rock Island & Pacific	517,702	544,900	2,779,903	3,245,391
Illinois Central	738,530	873,500	4,995,931	5,139,162
Marietta and Cincinnati	121,217	121,519	860,120	928,803
Michigan Central	464,778	456,974	3,151,480	3,256,327
Michigan South. & North. Ind	487,867	512,523	3,280,210	3,607,079
Milwaukee and St. Paul	751,739	1,023,520	3,457,960	4,481,355
Ohio and Mississippi	365,372	307,122	2,471,833	2,172,213
Pittsburg, Ft W & Chicago	669,037	761,329	5,193,001	5,753,250
St. Louis, Alton & Terre Haute	219,160	196,436	1,581,996	1,410,327
Toledo, Wabash and Western	3[illegible]2,996	450,203	2,7[illegible]7,347	2,872,266
Western Union	12[illegible],496	97,338	521,140	564,752
Total	$7,189,034	$7,829,797	$45,598,356	$49,879,064

It will be observed that the principal increase is upon the roads running through newly settled country. The increase, for the nine months, on the Chicago and Northwestern road is $1,726,265, or about 27 per cent; this gain, however is largely due to the transportation of materials for the construction of the Pacific Railroad, and to the flow of population and trade along the route of that road, with which the Northwestern connects. On the Milwaukee and St. Paul road there has been an increase, for the nine months, of about $923,395, or about 27 per cent. On this road, there has been an extension of mileage from 735 miles to 820 miles; which, however, only partially accounts for the increase of earnings, the company having pre-eminently profited from the development of new country opened by it. About three-fifths of the continued increase on the fourteen roads has occurred on these two lines, the balance being unevenly distributed among the remaining twelve companies, nine showing a moderate increase and three a decrease.

In the earnings for September there has been a decrease on five roads, viz., Atlantic & Great Western, Michigan Central, Ohio & Mississippi,

St. Louis, Alton & Terre Haute, and Western Union. On the others, the largest ratio of increase has been on Chicago & Alton, Illinois Central, Milwaukee & St. Paul, Fort Wayne, and Toledo Wabash & Western. The large amounts of produce pressed forward to the grain centres, immediately after the harvest, is the principal cause of the gain in the earnings during the last month. For the last two or three weeks, however, there has been a falling off in the receipts of many roads, owing to the wet weather and also to the fact that the fallen price of grain has checked the transportation of produce; for this reason, it is quite likely that the exhibit of earnings for October may not be so favorable as that for September. There is, however an unusually large stock of grain in the hands of the farmers, the forwarding of which, and especially of the unprecedented corn crop, must give active employment to the roads for the next few months and keep the earnings on a liberal scale.

DETENTION OF BREADSTUFFS AT THE WEST.

It is somewhat anomalous that, with unusually abundant crops of cereals, the arrivals of grain at the seaboard since the harvest have been upon a comparatively limited scale, while of the large exportable surplus very little has yet been shipped. Stocks of grain at present are accumulating at the lake ports, the dealers professing a purpose to carry their load until the East is prepared to take it at much higher prices. On the 20th inst. there was 1,518,400 bushels of wheat in store at Chicago, against 754,100 bushels at the same period of 1867, and at Milwaukee 618,000 bushels this year, against 455,000 bushels at the corresponding date of last year; while, on the 10th inst., there was afloat on the canals only 3,154,000 bushels of all grains against 4,852,000 bushels in 1867; which clearly shows the disposition of the Western dealers to hold back supplies.

This detention of produce is, perhaps, no more than might have been expected as the natural result of a decline of 35 cents in wheat, and a material fall in other grains since September 1st, following close upon a still larger decline during the summer. Much of the grain held in lake storehouses cost the holders considerably above the now current values; and it is natural, even if not prudent, that the owners should try to avert losses by holding for higher prices. It may at least be urged in favor of the Western dealers that they are but following the rule frequently adopted by factors circumstanced as they now are. Whether they are acting wisely is questionable; especially considering that the English markets, according to the latest accounts, are likely

to be better supplied than has been expected. It is less our purpose, however, to discuss the prudence of the present hoarding of grain than to survey the common policy of the West in holding back its grain from shipment during the last few weeks of navigation. The present action of the dealers is but an illustration of what almost invariably occurs at this period of the year. In October or November, there is generally a difference of views between Eastern buyers and Western sellers, which results in a curtailment of shipments and in a limitation of supplies at the seaboard during the winter, of no benefit to the trade of either section. For the purpose of indicating and illustrating what proportion of the supplies sent East comes to hand during the period of navigation, the suspension of navigation, and from the opening of navigation to the marketing of the new crop, we have compiled the following statement, showing the arrivals of flour, wheat, corn and oats at New York within each of these respective periods.

RECEIPTS OF FLOUR, WHEAT, CORN AND OATS AT NEW YORK, 1866–67.

		Sept. 1 to Dec. 1, '66.	Dec. 1 '66. to May 1, '67.	May 1, '67, to Sep. 1, '67.	Dec. 1, '66, to Sept. 1, '67.
Flour	bbls.	974.000	747 000	637,000	1,884,000
Wheat	bush.	2,678,000	2,148,000	1,342,000	3,490,000
Corn	bush.	7,772,000	2,404,000	8,331,000	10,735,000
Oats	bush.	2,588,000	1,837,000	1,724,000	3,561,000
Total bush. incl. flour		17,908,000	10,124,000	14,582,000	24,706,000

It thus appears that of the total arrivals of 42,614,000 bushels of wheat, corn and oats within the crop year 1866-7, 17,908,000 bushels were received between September 1 and December 1, and that the balance of 24,706,000 bushels came between the close of navigation and the termination of the crop year, a period of nine months, 10,124,000 bushels arriving during the six months suspension of navigation, and 14,582,000 bushels during the three months subsequent to the opening of navigation. About 42 per cent of the supply sent here is thus seen to have been forwarded within the first three months of the crop year; 24 per cent within the succeeding six months, and 34 per cent within the three last months. There is a manifest inequality in this movement. It is not easy to explain satisfactorily why such a heavy proportion should be kept back until the closing quarter; nor can it well be shown that the arrival of only 10,124,000 bushels, during the six months from December to May, is conducive to an even movement of the trade or to regularity of prices. It is easy to explain why, if 58 per cent of the Eastern supply is held back at the close of navigation, such a small proportion of that reserve should arrive here while the canals are frozen; for the limited capacity of the roads, their blockade by snow, and their high rates of freight as compared with water carriage, naturally cause grain to be held back until the opening of navigation. But the

question arises, is there any real advantage to the Western dealers and to the West at large, in so small a portion of the crop being forwarded East before the closing of the canals? The dealers suppose that by holding back in October and November they can induce a scarcity at the East which will enable them, for the time being, to get higher prices. They succeed in producing the comparative scarcity, and not unfrequently a temporary advance in prices; but, so long, as it is known that the supplies are stored in the West, the New York merchants operate cautiously, satisfied to work upon light stocks, and refuse to pay a price which they think inconsistent with the supply to come ultimately upon the market. The result is that the Chicago merchant fails to get the price he demands and finds, when it is too late, that he has to carry his stock for some months.

This detention of supplies, of course, tends to keep the Eastern markets lightly fed with grain during the ssupension of navigation; which, at first sight, would seem to be in favor of the West getting higher prices upon its shipments during that period. But against this apparent advantage must be set off the high freights paid during that period. The roads hold the shippers at their mercy, having no competition from the canals to keep down freights; and the result is that high charges have to be paid for transportation, which react upon the price of grain at the West. After February the New York dealers begin to anticipate the large supply to come upon the market on the opening of the canals, and regulate their bids accordingly, the anticipation of the near arrival of supplies being almost as influential on prices as the actual receipts. When navigation opens, a large amount of grain is of necessity crowded upon our markets. The Western banks are no longer willing to help the dealers in carrying their stocks, for the mercantile interest then comes in with large claims for accommodation; so that there is no course for the holders of grain but to realise precipitately upon their hoards; and, considering the large amount of grain to be sold within the three months before the marketing of the new crop, it is clear that then the Western seller is very much at the mercy of the Eastern buyer.

It must be further taken into account that the carrying of such large stocks involves heavy interest payments, heavy charges for storage and insurance, and a certain amount of risk of deterioration or damage to the grain; which act as another drawback against any extra price that may be supposed to be obtainable by holding back supplies. At New York, the grain could be carried through the winter months at little over one-half the discount charges paid at Chicago, money being then abundant here, and good produce paper negotiable at 6 per cent; or it would be

ready for shipment to foreign ports whenever prices might warrant such a movement. As evidence of the little benefit resulting to the West from holding the grain back during the season of 1866-7, we give below the actual price of Chicago Spring at New York the last Friday of each month during the autumn, winter and spring of that season:

	Sep. 28, '66.	Oct. 26, '66.	Nov. 30, '66.	Dec. 27, '66.	Jan. 25, '67.
Chicago Spring....................	$1 90@2 60	$2 00@2 55	$1 90@2 35	$1 90@2 45	$1 90@2 40
	Feb. 28, '67.	Mar. 29, '67.	Apr. 26, '67.	May 31, '67.	June 28, '67
Chicago Spring....................	$1 90@2 35	$2 10@2 65	$2 35@2 90	$2 20@2 50	$1 75@2 35

These figures give little encouragement to the present accumulation of stocks in the West. Beside, it clearly is not conducive to the interests of Western industry and trade that the means of the banks should be unnecessarily absorbed in the carrying of immense stocks of grain. Were a larger proportion of the Eastern supplies held through the winter in New York, the Western money markets would be easier, a lower rate of interest would prevail there, and the banks, instead of carrying a dead weight for several months, would be the better enabled to foster the thousand profitable enterprises in that section which so much need and so much deserve support; while our own banks would find more legitimate employment for their ample balances, than in lending them to Wall street operators to be used in demoralizing stock speculations.

TRANSPORTATION BETWEEN THE SEABOARD AND THE WEST.

The extension of the means of transportation between the West and the Atlantic seaboard is the supreme commercial necessity of the times. Beyond the Alleghanies lies the finest trace of agricultural and mineral country on the face of the globe, occupied by a people unsurpassed for practical intelligence, industry and enterprise. Every year, the population of this section is fast increasing its numbers and enlarging its products; and this rapid expansion of Western industry demands a corresponding increase in the facilities for commercial intercourse with other sections and other countries. At present, New York is the grand depot for marketing the surplus products of the West; and thus far our railroads and canals have proved an adequate means of outlet for them. It is not to be imagined, however, that a region with such immense resources is to be always, nor even much longer, dependent upon one market and one port. Nor is it desirable, for the interests of this city, that such dependence should be unduly prolonged. The prosperity of the West is conducive to the welfare of the whole country; and what benefits the country at large is advantageous especially to this port.

But, be this as it may, New York can control no trade which cannot

be done through its agency more advantageously than through others; and if new routes should be opened, establishing cheaper and quicker communication between the Atlantic and the great grain section, we must cheapen and quicken ours, or it must inevitably result that a portion of the heavy freight trade of the Western interior would take the new direction. A shorter and cheaper connection between the European markets and the West would, indeed, create its own traffic, in addition to that already existing. Whatever reduction is effected in the cost of transporting grain is so much gained in our ability to compete with European producers; and cheaper transportation would therefore insure an extended demand for Western food products abroad. Western expansion is now crippled by the cost of carrying commodities immense distances at high prices. Remove this obstacle, and we should witness an extension of agriculture unprecedented in that rapidly developing section. The growth of the West constantly keeps ahead of the progress of the railroads; and the result is that the transportation companies control absolutely the rates of freight and, by their high charges and frequently inadequate accommodation, act as a restriction upon the sources whence their traffic is derived. Each railroad having as much freight as it can carry, there is no motive for competition between the several companies, but rather for collusion to secure the highest possible rates; which is clearly a condition of things unfavorable to the commercial interests of the country at large.

Upon the foregoing considerations, we welcome any feasible effort to introduce competition in transportation between the East and West, and especially when the new route promises to effect a saving in time and distance. The convention held last week at Norfolk, Va., made a gratifying show of strength in favor of a railroad enterprise by which it is proposed to connect that port with the valley of the Ohio and the vast and fertile lands of the Mississippi valley. Judging from the earnestness shown at that gathering of Western capitalists, it may be regarded as a settled matter that a connection will soon be established between the Virginia and Tennessee Railroad and Louisville. The supplying of such a link would connect the ports of Virginia with the most thriving sections of the West, Northwest and Southwest by a shorter route than now connects them with New York. The distance, by the proposed route, from Louisville to Norfolk would be 714 miles, or 351 miles less than from Louisville to New York; from Cairo the distance would be 400 miles less than to New York, and from Cincinnati 237 miles less. There is here a very broad basis for a material saving on the transportation of the heavy freights of the West, the distance of these sections from the Atlantic being reduced about one-third. The route, it is also

claimed, would have very important advantages over the existing routes in respect to grades, the maximum grade being 68 feet to the mile, while that of the Pennsylvania Central is 100 feet and that of the Baltimore and Ohio 116 feet. Running through a mild climate, the road would be subject to none of the interruptions arising from ice and snow which embarrass the New York and Pennsylvania roads. The West, and Cincinnati especially, needs facilities that will enable it to forward its produce as freely in the winter, when navigation is suspended, as at any other time; while it equally requires the means of sending to market its crops in the fall without glutting both the roads and the canals; and that desideratum would be met by supplying the lacking link between the Virginia roads and those of Kentucky. The road would be available for the transportation of Western produce destined to New York at a season when the existing roads are overcrowded or when the canals are frozen, which would be of great importance to the grain trade of this city.

It is contemplated to establish a line of steamships to run between Norfolk and Liverpool, designed to carry the heavy class of freight brought over the new route, and supplying the facilities for through shipments from the West to Great Britain. Here. perhaps, is the weak point in this scheme for making Norfolk a great port for Western products. For although it is easily conceivable how the vessels may get ample outward cargoes, yet it is by no means apparent where the return cargoes are to come from, seeing that the Atlantic imports are naturally attracted to the New York market. The projectors evidently aim to divert emigration to that point as a basis of return traffic, and propose, as an inducement for emigrants to come by their vessels, to give them free transportation from Norfolk to their destination. The representatives of the connecting railroads promised in the convention to grant this advantage to settlers coming in the Norfolk steamers. They cannot, however, make such a gratuity without some considerable cost. If the sacrifice should induce emigrants to sail for Norfolk in preference to New York, there would be some compensation to the roads; for the profits of the steamers upon the emigrant trade would place them in the better position for carrying freight cheap; but if it should fail to attract emigrants, the vessels would have to charge proportionately higher rates of freight, which would make against the economy of the route to Western forwarders. The great earnestness shown by the West in forwarding this enterprise, as a new outlet for its products and a source of competition with the Eastern routes, warrants the expectation that much will be done by the merchants of that section to establish trade on the route; and, with such aid at the beginning, its natural

advantages may be relied upon to secure it ultimately an important position as a line of communication between the grain States and Liverpool.

Contemporaneously with these efforts, steps are being taken for connecting the Chesapeake Bay with the West by an unbroken line of navigation. The shortest natural water line between the Atlantic and the West undoubtedly lies between the mouth of the James River and the commence ment of the Ohio. This route it is proposed to open by completing the unfinished portion of the Virginia canal, over the 80 miles between its present terminus at Buchanan and the Greenbrier River: which would connect steam navigation at Richmond with steam navigation in the Kanawha, by a canal 277 miles in length. In this way a connection would be opened between the Chesapeake Bay and the river system of the West, with its immense flat-boat traffic, a system which admits of unlimited ramification by the building of canals connecting the great water lines.

These movements for opening, at the same time, railroad and water communication between the West and the Chesapeake Bay indicate a public sense of the pressing necessity for ampler transportation accommodation for the rapidly expanding interests of the interior; and, considering the comparatively light outlay of capital required for the completion of the enterprises, there can be no doubt of their ultimate realization, and as little question that a new era of commercial development will be the result.

FRANCE AND SPAIN.

Now that the Spanish revolution is an accomplished fact, and now that it is hardly less certain that Napoleon III. will in no direct way interfere with its progress than it is that the Pope can do no more for her most Catholic majesty than offer her the Quirinal for a palace and Rome for a place of sojourn, it begins to be hoped that the mighty change which has occured in Spain may have some good effect upon the uncertain and therefore perilous condition of affairs in France. This hope is by no means unreasonable. In the first place, the downfall of the government of Queen Isabella II. must weaken the clerical party in France, and the necessity of keeping well with the clerical party in France has been one of the Emperor's most perplexing political obligations. Under the inspiration of a fanatical nun known as Sister Patrocinio and of a scheming priest, Father Clariet, advanced by the Queen to the dignity of Archbishop of Tarragona, the government of Queen Isabella II. had probably become the model clerical government of Europe.

The priesthood in Spain were all-powerful over matters relating to the social life and training of the Spanish people. Their order had gradually recovered all and more than all the power which it had lost by the liberal decrees which several years ago broke up the monastic institutions. What Von Beust has forbidden Austria any more to be, what Dupanloup, Bishop of Orleans, and his coadjutors would gladly see France become, that Spain was. It will be difficult now even for the ingenious Bishop of Orleans himself to disprove the evidence offered by the Spanish revolution of the impotence of a strictly clerical support to sustain a temporal dynasty. Faith in the church undoubtedly is still a power in France, and particularly in rural France. But it is much less of a power in France than it was and is in Spain. If the Bourbons, nevertheless, found it a broken reed at Madrid, why should the Bonapartes be asked to lean very heavily upon it at Paris?

The Emperor Napoleon III., then, may find himself to a certain extent set free by the triumph of Prim and Serrano from the bondage of that organization in France which has done more than any other single force, so far, to foil the attempts which he himself has repeatedly made to expand and liberalize the imperial system. The French clergy themselves, if they be not utterly blind to the condition of the world they live in, must recognize the fact that the success of the church in Spain has been its ruin. The Spanish church finds itself to-day imperilled by the downfall of the monarchy which it had made too much and too openly its own tool. The French church will hardly now be kept with a very firm hand upon the same fatal course by the experienced ecclesiastics who control its helm.

Again, the Spanish revolution, so long as it prospers as it has up to this time prospered without damaging social order in Spain, or endangering the foreign relations of the country, must relieve the French government to a certain extent from its complications in that most complicated and perilous question of France and Rome. The overthrow of the Spanish Bourbons deals a death-blow to the intrigues of the Neapolitan Bourbons with the Roman court, while at the same time it throws the Roman court more helplessly than ever into the arms of the French government. Were the project mentioned in some quarters as under consideration at Florence and Paris to be carried out, and the Spanish throne to be offered to and accepted by the Prince Amadeus, of Savoy, the second son of King Victor Emmanuel, it would become absolutely necessary for the Papal court to make its peace with Italy, and to relax its tormenting hold upon France. And finally, without wandering too far into speculations upon the possible bearing of a series of events which are still working out, it is clear that the emancipation of Spain, and the revival of her energies under a capable and feasible government must strengthen the Emperor Napoleon against

the extreme war party in France which for two years past has been urging him madly on, in season and out of season, to a war with Prussia, for the purpose of preventing the consolidation of Germany.

The fact that Italy is to-day a power of importance, and that the force of Italy might be turned against France in certain contingencies, has already had its influence in fortifying the Emperor's policy of resistance against the impetuosity of the clamorers for the "natural boundaries of France." The rise beyond the Pyrenees of a new Spain not incapable of becoming what the Spain of old so often was, a decisive make weight in the balance of European power, will reinforce this tempering and modifying influence of the Italian resurrection upon the pride and the passions of the French people. Of course nothing of all this good could be looked for, were the Spanish revolution to degenerate, as so many friends of Spain have feared, and as all the foes of Spain have hoped it might, into a chaotic and anarchical conflict between the theories of philosophers and fanatics on the one hand, and the ambition of unscrupulous adventurers on the other.

The disposition manifested at the outset by a few members of the Madrid Junta to dabble in political experiments, after the manner of the French revolutionists of 1848, seems however, to have been effectually arrested. M. de Girardin, in *La Liberte*, concedes the establishment of a Spanish republic to be now impracticable, and congratulates Europe that the future of Spain just now rests upon one man, Marshal Serrano, Duke of La Torre, who is at once sensible and honest. We may not unreasonably anticipate, therefore, at no distant day, the formal settlement of the Spanish crown, under a well-ordered constitutional system, upon some prince of alien blood, but of mature years, and of respectable political capacity. The advent of such a prince as the ex-king Ferdinand of Portugal, for instance, to the Spanish throne, would be hailed by Europe as the presage of a real restoration of Spain to the place which of right is hers in the family of nations.

How greatly France now needs what we may call the moral and political tonic of such an issue of the Spanish revolution, may be measured by the fact that capital in France is flowing as freely as water into the coffers of the French government. It is but the other day that, in response to a call for a new loan, the French Minister of Finance received, in twenty-four hours time, offers to the amount of thirty-four times the sum required. And the short loans of the French government, corresponding to what are known in English finance as "Exchequer Bills," have just been renewed at the unprecedented rate of *one half per cent* a year.

These facts, usually cited in proof of the popularity of the imperial government, really show, as the London *Economist* wisely suggests, only its actual ill-effect upon French interests and French public opinion. The credit of

the French government is independent upon the credit of any particular dynasty in France. It reposes upon the intelligent confidence of Frenchmen in the unbounded resources of France, and upon the moral certainty that "whatever king may reign" the Rentes will surely be paid. But France within a few years past has made enormous progress in the development of her industry and her resources. She has prospered exceedingly, and accumulated a vast store of readily available capital. Were the policy of the French government clearly known and satisfactory, these accumulations would naturally find their way into the vortex of industry and trade, and the government, though it might still borrow at an advantage as compared with other governments would still be obliged to pay something more than nominal rates of interest. Now, on the contrary, the anxiety of men as to a future of war or of peace chills private enterprise, and capital locks itself up for safety, not for profit, in the public funds.

A practical and prosperous government in Spain by its influence in deciding the positive triumph of a peace policy in France, may therefore, perhaps, accomplish for France, Europe and the world happy results not less important than those whih it will achieve for Spain herself.

THE PROSPECTIVE PREMIUM ON GOLD.

The decline in the price of gold from 150 in July to 137¼ within the present week, however influenced by speculation, has been the result of well defined movements. The rise in the premium, three months ago, was mainly due to what then appeared to be a reasonable prospect of a serious adverse balance in our foreign trade. During the first six months of the year, we had exported from New York alone $60,000,000 of specie, an unprecedented amount for that period, and yet our imports were increasing, while our exports were falling below the value of those last year, and we had to provide for the payment of $7,200,000 on account of the purchase of Alaska. Few or none considered it safe to rely upon the continuance of the exportation of bonds upon any considerable scale, and it was therefore deemed inevitable that we must make further he vy drafts upon our already reduced stock of gold, in order to balance our trade indebtedness to Europe.

It was principally upon these considerations that gold advanced to 150. Relief, however, came from the quarter least expected. It proved that, notwithstanding the immense amount of United States bonds held in Europe, the market there was open to take still more at the easier prices induced by the rise in gold; and contrary to all expectation, Government securities were sent out steadily, during July and August, to an aggregate

amount variously estimated from $25,000,000 to $40,000,000, besides several million shares of the Erie Railway Company. This very large contribution toward the adjustment of our foreign trade account, virtually averting a heavy drain of specie, completely changed the condition of the gold market and produced a steady decline in the premium, as the magnitude of the movement came to be generally appreciated.

The downward tendency has also been accelerated by the result of the harvest affording promise of an abundant surplus of food products for export. It is difficult, however, to estimate with even approximate accuracy the course of the foreign trade movement for the next few weeks, upon which the price of gold must be in a large degree dependent. During the months of July, August and September, the imports at this port have varied but little from those of the same period of last year, the total being $72,800,000, against $65,400,000 in 1867. The produce exports at New York, for the same period, have been $39,800,000, against $42,000,000 last year. Perhaps it may be safely assumedthat, for the next three months, the imports will not vary materially from those of the same quarter of 1867. There would seem to be good reason, however, for anticipating that the course of the exports will be more favorable than last year. Our exports of field products may certainly be relied upon to yield us a larger return; the only question being, whether the improvement will come at once, or be delayed through a temporary holding back for better prices. Thus far, our shipments of breadstuffs have not been so large as might have been expected from the abundance of the crops. At the West, grain is held above the views of Eastern shippers; and it is very possible that the Western dealers may keep back their produce until the close of navigation, in which event the exportation of our surplus of breadstuffs would be in a considerable measure delayed until the Spring of next year. The arrivals of grain at New York from August 1 to October 13, compared with those of last year, have been as follows:

	Aug. 1 to Oct. 13, 1868.	Aug. 1 to Aug. 13, 1867.
Flour, bbls	7 1,630	903,545
Corn meal, bbls	25 245	17,045
Wheat, bush	2,716,355	3,440,900
Corn, bush	7,091,870	6,085,445
Rye, bush	105,995	263,745
Barley, &c., bush	616,935	708,230
Oats, bush	3,797,320	2,665,035

The stock of grain in New York warehouses on the 12th instant was as follows, compared with the same period of last year:

	Oct 12, 1868.	Oct. 14, 1867.
Wheat, bush	483,806	167,608
Corn, bush	2,508,744	967,664
Oats, bush	1,393.936	89[illegible],897
Barley, bush	22,026	32,793
Malt, bush	59,051	57,977
Peas, bush	32,890	12,245
Rye, bush	31,825	7,300
Total	$4,532,878	$2,136,484

It is apparent from these figures that our grain shippers have not been in a position to make shipments this fall at all proportionate to the large increase in our surplus; it is therefore to be expected that sooner or later we shall have a large amount of exchange made against this class of exports. Our exports of breadstuffs for the fiscal year 1867-8, are stated in the official returns at $69,000,000. The exportable surplus of wheat alone, this year, is estimated at about 40,000,000 bushels, which, at current and probable prices, would realize much more than our whole shipments of flour and grain last year. The corn crop is also abundant and likely to yield us a liberal exportable surplus; when it is considered that the whole quantity of corn exported last fiscal year was only 11,500,000 bushels, it is apparent that here also there must be some gain in the value of our shipments. These facts show that, allowing for the late decline in prices, our exports of breadstuffs, for the current fiscal year, may easily realize from $25,000,000 to $30,000,000 more than those of 1867-8, The cotton crop is being held back from the same cause which checks the shipments of breadstuffs. The planters are this year absolute owners of their cotton, and the stocks being small, they hold their cotton with considerable firmness. It is quite possible that there may be a temporary check in the exports of this staple from this cause; but there is every reason to expect that the result for the whole year will exceed in value that of last year. From all thus far ascertained as to the prospect of the yield, it would apparently be safe to estimate that we shall have a surplus of 1,700,000 bales for export. Estimating the average price for the year at the low figure of 20 cents per pound (with gold averaging, say 135), the total value of our exports of this staple would be about $150,000,000, which, though about the same in currency value as the cotton exports of 1867-8, would yet yield a higher value in gold, the premium having then averaged above the foregoing estimate.

The course of supply and demand upon the gold market for the last quarter of the year is not likely to affect materially the premium. A large amount of coin interest becomes payable at the Treasury on the 1st of November, and although probably some $14,000,000 of the total may be due to foreign bondholders, yet it is anticipated among foreign bankers that fully one half that amount will be set off by remittances of bonds. From this date, to the close of the year, the supply of commercial bills is generally such as to require comparatively small exports of specie. The probable course of market supply and demand for the whole country, for the months of October, November and December, may be thus estimated:

PROBABLE SUPPLY.

From California	$7,500,000	
From imports	1,500,000	
From November coin interest	30,000,000	
From Treasury sales	12,000,000	
Total supply		$51,000,000

PROBABLE WITHDRAWALS.

For Customs duties	$37,500,000	
For export (same as in 1867)	16,000,000	
Total withdrawals	53,500,000	
Probable excess of withdrawals		$2,500,000

It would thus appear probable that the movement of specie is likely to result in a slight loss from the market within the three months. On the 1st of October, however, there was $20,200,000 of private gold on deposit in the Treasury, against $14,800,000 at the same date of 1867; so that the market will, on the whole, probably be better supplied for the current quarter than during the same period of last year.

FACTITIOUS INTERFERENCE WITH THE MONEY MARKET.

The sudden advance of 2 to 3 per cent in the rate of interest, at the close of September, was not wholly unexpected with those familiar with the sinuosities of Wall street. In September and October, the crop movements usually take a considerable amount of currency from the New York banks to the interior, and call for an increase of discounts; and as the banks are required to make up their quarterly statement on the first Monday in October, there are always ordinary causes at work about the close of September which expose the loan market to extraneous and artificial interference. This year, owing to well known causes, less currency was sent West in September than usual, and the re discounting of grain bills was also on a limited scale; the result being that money was loaned on call at 4 per cent up to near the close of the month, against full 7 per cent at the same period of last year. So little was this ease expected that Wall street dealers borrowed largely late in August and early in September at 6 and 7 per cent on three months time; and these anticipatory transactions so far reduced the demand for call loans that there can be little doubt the low rates would have been continued into October had the market been allowed to take its natural course.

During the last week of the month, however, certain operations were undertaken designed specifically to tighten the market, and money suddenly became so scarce that, upon a large proportion of the call loans made outside the banks, rates of interest were paid above the legal limit. These transactions were conducted by wealthy combinations of stock speculators, the object being to break down the prices of securities; a purpose, however, which was not realized, the larger holders of stocks having fortified themselves by time loans. Both gold and securities appear to have been used for borrowing greenbacks, the currency thus obtained being either locked up in the borrower's safe, or sealed up and used as

collateral for new loans and the operation repeated to any extent consistent with the secresy necessary to such a transaction. It is estimated that, in this way, several millions of legal tender notes were temporarily held out of circulation until Saturday last; when, the banks having completed their preparations for the quarterly statement, the money was returned into circulation. These operations imply a collusion between bank managers and the speculators conducting them, to which it is difficult to conceive how any conservative bank official could lend himself. There is some reason for supposing, however, that bank officers may have been overborne through the parties to the "tying-up operations" securing temporarily a large amount of the stock of the bank.

These operations are not a violation of any existing law; nor is it perhaps desirable that any effort should be made to restrain them by legal enactment; for means would always be found to evade any such restrictions. The remedy must rather be found in the moral opprobrium which ever falls upon those who adopt dishonorable expedients in business, and in the measures of self protection which are early learnt by those who suffer from these transactions. Last fall, the expedient of locking up greenbacks was successful; holders of stocks were compelled to realise, panic seized upon the stock market, securities declined heavily, brokers first failed and then merchants; and out of this ruin the authors made rich gains. The lesson, however, was too costly to be soon forgotten; and the result was that although the locking-up process was tried previous to the spring quarterly bank statement, parties carrying secuties were found to have protected themselves by long loans, as they have done in this last instance; so that after one successful experiment, there have been two unsuccessful. It is reasonable to hope that the participators in these disreputable raids upon the loan market, after finding that they only gratuitously degrade themselves before the community by their efforts, will adopt more honorable means for conducting their speculations. It is nevertheless a reflection upon the business morality of the financial metropolis of the country that prominent capitalists, controlling large corporate interests, should be found willing to stoop to such degrading and mischievous expedients. Such proceedings have a direct tendency to encourage laxity of honor in Wall street operations generally, and to lower the standing of that practical integrity which has made the brokers' word as good as his bond; they strike at the foundation of all confidence and good faith.

An attempt has been made in some quarters to throw the blame for the late stringency upon the Treasury Department, as if to conceal the real authors of the derangements. A fair examination of the facts, however, will we think exonerate the Government officials from all responsibility. On the 1st of September, the Treasury held in its vaults but $15,000,000

of currency. There was good reason for expecting that the receipts from internal revenue in September would fall below the disbursements of the month; while it was necessary to keep in view the possibility of the banks, in preparing for their quarterly statement, having to present a portion of their Three Per Cent Certificates for redemption. Under these circumstances, it was clear that the Secretary must resort to the sale of bonds or gold, or both, in order to realize currency; although the extent to which it was necessary to carry these sales could be ascertained only by the gradual discovery of the amount of the disbursements; so that a certain portion of the sales was of necessity thrown toward the latter part of the month. The Assistant Treasurer commenced with the sale of bonds; and from the last debt statement it would appear that $3,600,000 of Five-Twenties were sold, realizing about $4,000,000. After the third week of September, the sales of bonds were suspended, and on the 22d the Assistant Treasurer began to realize on gold, continuing his sales until the 30th, and selling in all $2,300,000. During the sales of bonds, and of nearly one-half of the sales of gold, money was extremely easy, call loans being 3@5 per cent; and, upon the stringency setting in, the sales of gold were suspended, and the checks received against the sales of the last two or three days of the month were held back from presentation at the banks, out of voluntary consideration for their convenience. There was certainly nothing in these transactions calculated to interfere with the convenience of the banks; on the contrary, the Department showed a commendable readiness to accommodate them, as far as possible, when they had been subjected to pressure from speculative combinations. It is true that the Treasury realised, in September, about $7,250,000 in bonds and gold, taking temporarily that amount out of the banks; but these receipts were immediately disbursed; indeed, from the fact of the currency balance being on the 1st of October only $13,300,000. It appears that tne Treasury paid to the banks in September $1,700,000 more than it received—a fact which again shows the pressing necessity of the Secretary realising upon gold and bonds. In view of these facts, we cannot but regard the late animadversions upon the action of the Treasury in these matters as very inconsiderate, not to say uncandid and unjust.

The frequent recurrence of extraneous tampering with the money market has led many to doubt the wisdom of the provision in the National Bank Act requiring the banks to make a statement of their condition on the first Monday of each quarter. The knowledge that on a certain day of April and October, periods when money is always most active, the banks are apt to call in loans in order to place their affairs in a conservative condition, holds out a temptation to seize the occasion for producing an artificial stringency; and so strong is the inducement that the experi-

ment has been made repeatedly upon an extended scale, and the recurrence of the April and October statements has thus become a source of much uneasiness in the money market and of regular periodical disturbance to business. It has been proposed, therefore, that Congress should remedy the evil by requiring the statements to be made, not upon any fixed and invariable date, but at periods to be determined from time to time by the Comptroller, and always antecedent to the date of notification and of the required return. In this way, it is urged, the dangers and the inconveniences, as well as the deceptions, attendant upon the present system of statements would be effectually obviated. There are, however, obvious objections to this proposed change, but we forego for the present the discussion of the subject.

CHICAGO, BURLINGTON AND QUINCY RAILROAD.

(Organized Under the Consolidation of July 9, 1856, and Subsequent Purchases.)

The Chicago, Burlington and Quincy Railroad is a consolidation of the Chicago and Aurora and the Central Military Tract Railroads. The company acquired the Peoria and Oquawka and the Quincy and Chicago (formerly the Northern Cross) railroads by purchase. The Lewiston branch was a donation. Previous to May 2 , 1864, when the new line between Aurora and Chicago was opened to traffic, the cars of the company passed to and from Chicago over the Galena and Chicago Union Railroad, from the Junction to Chicago, a distance of 30 miles, for the use of which a stipulated percentage of earnings was paid.

The lines of the company, as now constructed, have a total lengthof 400 miles, accounted for as follows:

Aurora and Chicago Railroad—Junction 30 miles west of Chicago to Aurora	13 miles.
Central Military Tract Railroad—Aurora to Galesburg	125 "
Peoria and Oquawka Railroad—Peoria, *via* Galesburg, to Burlington	95 "
Quincy and Chicago Railroad—Galesburg to Quincy	100 "
Lewiston Branch Railroad—Yates City to Lewiston	30 "
Chicago Extension Railroad (new)—Aurora to Chicago	27 "

These several lines constitute by combination—

A line from Chicago to Burlington	204 miles.
A line from Chicago to Quincy	262 "
A line from Peoria to Burlington	95 "

—and two branches, viz.: one from Aurora to the Chicago Junction13 miles, and the other from Yates City to Lewiston, the latter to be extended north to Buda and Dixon, by the Dixon, Peoria and Hannibal Railroad Company, and south to Hannibal. The American Central Railroad, now on the eve of completion, will leave Galva on the main line, 142 miles from Chicago, and extend to New Boston, on the Mississippi, affording an aditional feeder of the Chicago, Burlington and Quincy Railroad. At Burlington the Chicago, Burlington and Quincy road connects with the Burlington and Missouri River Railroad, which will next year be completed to a junction with the Union Pacific Railroad at or beyond

Omaha. At Quincy connection is made with the Hannibal and St. Joseph Railroad, which, with its extensions, already connects with the Central and Eastern Divisions of the Union Pacific Railroad. The eastern connections are ample, including all the railroads leaving Chicago, and the more direct line leaving Peoria and forming part of the Columbus, Chicago and Indianapolis Central Railroad Line.

The operating accounts of the company for the years ending April 30, 1867 and 1868, compare as shown in the statement which follows:

	1866-67.	1867-68.	Increase.	Decrease.
Passenger earnings	$1,543,714 15	$1 482,506 92	$	$61,207 23
Freight	4,124,692 99	4,216,911 36	92,218 37	....
Mails and miscellaneous	414,730 91	455,228 97	40,498 06	....
Total gross earnings	$6,083,138 05	$6,154,647 25	$71,509 20	$ .. ....
Operating expenses	3,093 574 07	3,067,165 55	....	26,408 52
Net earnings	$2,989,563 98	$3, 87,481 70	$97,917 72	....

The company owned at the close of the two last years, respectively, the following amount of rolling stock: Locomotives, 119-122; passenger cars, 55-55; baggage, mail and express cars, 27-30; pay car, 0-1; house, freight and cattle cars, 1,659-1,817; Blue Line cars 40-00: platform and coal cars, 493-555; drovers' and conductors' cars, 43-49; gravel cars, 40-40; tool cars, 2-2; pile driving car, 1-1; rubble cars, 86-99; hand cars, 123-123; and wrecking cars, 2-2—total cars, 2,571-2,774, being an increase of 203 in the last year.

The number of miles run by locomotives, and the number of passengers and tons of freight carried, with the mileage thereof, is shown in the following account:

	1866-67.	1867-68.	Increase	Decrease
Miles run by passenger trains	644,560	7 0,560	66,000	......
" " freight trains	1,192,752	1,225,100	32,348	......
" " other trains	584,254	71 ,-94	128,640	.....
Total miles run by trains	2,421,566	2,648,554	226,988	......
Passengers carried east	450,918	449,060	......	1 858
" " west	466,902	458,978	......	7,924
" " both ways	917,820	908,038	. ....	9,782
Passenger mileage	42,334,983	39,781,829	......	2,553,154
Tons carried east	593,823	508,583	......	85,240
" " west	384,740	428,906	44,166	. . .
" " both ways	978,563	937,489	......	41,074
Tonnage mileage	135,000,000	132,435,027	... ..	2,564,973

The earnings, expenses and profits per mile of road operated in the two years, as above, was as follows:

Gross earnings per mile	$15,207 84	$15,386 62	$178 78	$......
Operating expenses per mile	7,733 93	7,667 91	.	66 02
Profits (net earnings) per mile	7,473 91	7,718 71	244 80	......
Expenses, per cent	50.85	49.83	....	1.02
Taxes to gross earnings	3.07 p. c.	3.24 p. c.	0.17 p. c.	......

The income account for the years 1866-67 and 1867-68 shows the following results:

	1866-67.	1867-68.	Increase	Decrease.
Balance to credit May 1	$588,391 55	$1,905,496 00	$1,316,804 45	$........
Net earnings	2,989,563 98	3,087,481 70	97,917 72	....
Interest and exchange	63,723 70	43,081 39	.. ....	20,642 31
Trustees Quin & C. RR	....	24,571 74	24,571 74	....
Total revenue	$3,641,979 23	$5,060,630 83	$1,418,651 60	$. ....

Disbursed as herewith stated:				
Rent of tracks & depots	$14,288 14	$10,970 00	$........	$3,138 14
Interest on bonds	406,758 31	363,554 93	....	43,193 38
Taxes, State & County	113,835 74	128,805 90	14,970 16	....
U. S. tax on earn'gs, &c	72,278 94	71,231 20	....	1,047 74
Transfer office expenses	1,000 00	1,000 00	....	....
Divi'nd, May 15, '66 & '67	509,650 00	519,950 00	10,300 00	....
" Nov. 1, '66,, and Sept. 5, '67	509,650 00	519,950 00	10,300 00	....
Dividend, March 16, '68	....	627,195 00	627,195 00	....
U. S tax on dividends	62,922 10	197,205 10	134,282 90	....
Distribution of stock Sept 15, 1867	....	2,079 800 00	2,079,800 00	....
Bonds purchased for sinking fund	50,600 00	49,500 00	....	1,100 00
Total disbursements	$1,736,483 23	$4 568,662 03	$2,832,178 80	....
Bal. to credit Apr. 30	$1,905,496 00	$491,968 80	....	$1,413,527 20

A further dividend of 5 per cent was payable Sept. 15, 1868. The distribution of stock, Sept. 15, 1867, was equal to 20 per cent on the capital, then amounting to $10,399,010. The total cash dividends during the last five years have been equal to 52 per cent, and the stock distributed equal to 50 per cent. The profits represented by stock distributions have been used in the road and equipment, the construction of the Burlington bridge and other improvements. The bridge at Quincy does not involve the finances of the Company, being built by a separate organization, under arrangements with all the companies whose railroads terminate at that point. These bridges are about ready for use. The bridge at Quincy is about 4,000 feet, and that at Burlington about 2,237 feet long. Both rest upon stone piers, and the superstructure is entirely of iron, with draws for the passage of river craft. When completed they will be structures of great beauty as well as of very great importance to the business of the country as well as of the railroad companies. Of the total gross earnings of this Company in 1867-68 ($6,154,647 25), the amount contributed by business passing over it to and from the Hannibal & St. Joseph Railroad was $607,597 90, and that to and from the Burlington and Missouri River Railroad $391,069 50, or together $998,667 40, nearly a sixth of the aggregate business of the Company.

The financial condition of the Company, as exhibited on the balance-sheets of April 30, 1867 and 1868, is shown in the following statement, with the increase and decrease in the last-named year.

	1867. $	1868. $	Increase. $	Decrease. $
Capital stock	10,399,010 00	12,544,030 00	2,145,020 00	....
Funded debt	5,458,250 00	5,218,750 00	....	239,500 00
Due N Cross RR bondholders	....	270,000 00	270,000 00	....
Unclaimed dividends	2,016 00	2,853 00	837 00	....
Unpaid accounts & pay-rolls	299,492 81	296,850 02	....	2,642 79
Due agents and roads	64,033 21	83,099 82	19,066 61	....
Sinking fund	828,726 99	878,225 99	49,500 00	....
Balance of income account	1,905,496 00	491,968 80	....	1,413,527 20
Total	18,957,024 01	19,785,777 63	828,753 62	....
Against which amounts are charged, as follows:				
Construction (400 m)	13,246,710 70	14,507,344 47	1,260,633 77	....
Equipment	2,956,327 52	3,205,407 62	249,080 10	....
Due on Northern Cross R.R.	270,000 00	270,000 00	....	....
Materials on hand	413,420 69	440,151 05	26,730 36	....
Pullman Palace Car Co, stock $72,300	....	48,200 00	48,200 00	....
Steam ferry and other boats	41,383 41	45,456 91	4,073 50	....
Burlington depot grounds & accretions	....	126,137 55	126,137 55	....
Chicago teams for transferring freight	4,500 00	4,500 00	....	....
Accounts and bills	203,373 96	307,817 97	104,444 01	....
Burl & Mo. Riv RR ef. st'k	180,023 22	299,649 01	119,625 79	....
Due from agents and roads	64,728 94	64,435 65	....	293 00
Div No. 14 and tax thereon	....	547,315 78	547,315 78	....
Deposits in New York, Boston and Treasury	746,575 13	253,012 51	.....	493,562 59
Dep. with Trustees s'kg fund	282,664 86	231,664 86	....	51,000 00
Total	18,957,024 01	19,785,777 63	828,753 62	....

The following table shows the highest and lowest sale prices of this company's stock at New York, in each month of the five years, 1863–68 :

Months.	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.
May	108 @120	126 @142	102 @110	114 @117	130 @132
June	113 @116	126½@132	104 @108	116 @121	132 @143
July	114 @116½	126 @132	109½@112	124 @125	144 @150
August	115 @126½	127 @131	111 @113	129 @130	126 @150
Sept	120 @123	117 @127	112 @125	128 @138½	124 @126½
October	122½@131	111 @115	124 @1 0	132½@137	126½@137
November	116½@124½	115 @120	110½@115	131 @133½	133 @135
December	115 @117½	116½@118	118 @115	130 @134	136 @137
January	118 @129	114 @120	109½@114	129 @132	133 @143½
February	122 @133	115 @120	112 @112	129 @130½	144 @153½
March	131½@146	100 @118	112 @115	129½@132	149½@150
April	132 @149	103 @117	115 @117½	130 @135	150 @150
Year	108 @149	100 @142	102 @130	114 @138½	124 @153½
Dividends	9 p. c.	13 p. c.	10 p. c.	10 p. c.	10½ p. c.
Distrib'ns		May 25, 10 "	Oct. 31, 20 "		Sep 15, 20 "

Additional for 1868-69: May 149@150½; June 151@154; July 164@165; August 170@173; September ...@...; range 149@173.

MEMPHIS AND CHARLESTON RAILROAD.

Articles relating to the Memphis and Charleston Railroad were published in the MAGAZINE of November, 1866, and November, 1867. We now add another year's record to our previous reviews, comparing the results of the two fiscal years ending respectively June 30, 1867 and 1868. The gross earnings from transportation compare as shown in the following summary:

	1866-67.	1867-68.	Increase.	Decrease.
Passenger earnings	$910,799 03	$589,824 41	$........	$320,974 62
Freight	636,886 85	465,845 79	....	171,041 06
Mail	27,799 62	41,700 39	13,900 77	....
Express	76,720 00	59,700 00	....	17,020 00
Rents and privileges	9,406 93	17,843 54	8,436 61	....
Total	1,661,612 43	1,174,914 18	....	486,698 30

Less, the following amounts expended:

Transportation	$334,095 09	$282,685 67	$........	$51,409 47
Motive power	338,848 52	258,278 28	....	80,570 24
Maintenance of way	329,497 00	206,610 07	....	122,886 93
Maintenance of cars	111,984 36	82,533 89	....	29,450 47
Total	1,114,424 97	830,107 86	....	284,317 11
Net earnings	$547,187 46	$344,806 27	$........	$202,381 19

The extraordinary falling off in revenue in 1867–68, as compared with the previous year, is attributable in a great measure to the short crop of cotton and the impoverished condition of the country through which the line passes, as well as to a large reduction made in local rates, both freight and passenger. Besides, the epidemic which prevailed at Memphis last fall and summer almost suspended business for four months, while the inability of the Virginia railroads to move cotton promptly, and the derangements at Charleston were also great hindrances, preventing large shipments to Eastern cities for several months during the business season.

The road is now in fair running order, and the stock of cars and locomotives ample for any ordinary requirements of business. During the year there was added to the equipment 102 box freight, 43 platform and 10 stock cars, and one baggage car, and a further gradual increase is provided for. The present equip-

ment consists of 55 locomotives, 38 passenger and mail cars, 7 baggage cars, 1 hay and 1 street car, 3 6 box and 156 platform cars, 14 stock cars 1 wrecking car and 79 road and hand cars. The mileage and operations in 1866-7 and 1867-68, compare as follows:

	1866-67.	1867-68.	Increase.	Dec.
Train, miles	786,331	751,942	....	34,389
Passengers carried	223,818	127,016	....	96,802
Cotton (bales) transported	88,731	95,288	....	6,557

The destination of the cotton was as follows:

Memphis	65,451	73,764	8,313	.....
Corinth and Tuscumbia	81	238	157	.....
Decatur	2,962	4,359	1,397	.....
Huntsville	610	646	36	.....
Stevenson	331	573	242	.....
Chattanooga	19,296	15,708	....	3,588

The total fiscal operations of the company for the years as above, as exhibited on the profit and loss account are shown in the following abstract:

	1866-7.	1867-8.		1866-7.	1867-8.
Balance, July 1	$....	$120,325	Balance, July 1	$78,464	$ ...
Gross earnings	1,661,612	1,174,914	Expenses	1,114,424	830,107
Interest and exchange	23,865	....	Inter. on State loans	101,838	95,731
Balance, June 30	...	433,673	" on bonds	90,580	111,060
			" and exchange		20,675
			Divid'd No. 9, 3 p. c.	....	159,381
			Discount on bonds	179,845	490,964
			Sundries	....	20,990
			Balance, June 30	120,325	....
Total	$1,685,477	$1,728,912	Total	$1,685,477	$1,728,912

Since the completion of the road and branches (Jan. 1, 1860) there has been declared and paid nine dividends—two stock and seven cash. The following is a list thereof with the date of declaration, rate and in what paid.

No. 1	December 1, 1859	60 per cent,	stock	$1,351,185
2	February 29, 1860	4 "	cash	152,501
3	August, 1860	4 "	"	152,50
4	February, 1861	4 "	"	152,501
5	September 30, 1861	4 "	"	152,501
6	January 9, 1862	33⅓ "	stock	1,330 842
7	February 2, 1862	4 "	cash	212,382
8	March 3 , 1863	4 "	conf. cur.	212,509
9	March 31, 1868	3 "	cash	159,381

The stock dividends represented earnings used in construction, and were charged to that account. The balance sheets of the 30th June, 1867 and 1868, respectively, compare as follows:

	1867.	1868.	Increase.	Decrease.
Capital stock	$5,312,725 00	$5,312,725 00	$	$ .....
Tennessee State loan	1,595,530 00	1,595,530 00	.....	......
1st Mort 7 per cent bonds (conv.), 1880	1,294,000 00	1,293 000 00	......	1,000 00
2d Mort. 7 p. c bonds, 1885	237,000 00	1,000,000 00	763,000 00	......
Bills payable	246,119 41	111,228 55	......	134,890 86
Unpaid coupons	156,975 00	39,445 00	......	117,530 00
Unpaid dividends	34,218 98	34,343 68	124 70	......
Due United States	272,403 62	....	......	272,403 02
Suspense account	....	3,733 09	3,733 09	......
Current accounts	212,220 71	141,535 49	......	70,685 22
Transportation receipts	1,685,477 81	1,174,914 13	......	510,563 68
Total	$11,046,669 93	$10,706,454 94	$	$340,214 99

Per contra: charges on the following accounts—

Road	$5,959,003 62	$6,200,638 16	$241,634 54	$ ......
Equipment	1,002,601 24	1,134,558 50	131,957 28	......
Incidentals	324,581 76	326,411 46	1,829 70	......
Construction	$7,286,186 60	$7,661,608 12	$375,421 52	$ ......

Materials, etc.	239,156 58	183,543 52	......	55,613 06
Stock of other companies	199,680 00	211,785 88	12,105 88	......
Transportation	1,114,424 97	830,107 86	......	284,317 11
Interest and exchange	192,418 00	227,467 75	35,049 75	......
Profit and loss	78,464 64	59,947 08	..	18,517 56
Discount on bonds	179,845 00	490,964 77	311,119 77	......
Coupon bonds on hand	1,178,500 00	464,000 00	......	714,500 00
Bills receivable	105,104 42	81,650 44	......	23,453 98
Current accounts, &c.	390,846 69	428,871 48	38,024 79	......
Cash on hand	82,032 99	67,508 04	......	14,524 95
Total	$11,046,669 93	$10,706,454 94	$	$340,214 99

This balance sheet shows that large progress has been made during the year in the liquidation of the floating liabilities of the company, and notwithstanding the diminished earnings of 1867-68, a marked improvement in the financial condition is recognizable. The earnings for 1868-69 are expected to reach a dividend paying point. This expectation is based on the fair condition of the road and the sufficiency of rolling stock, and also on the increased crops of cotton and cereals to be moved. The amount required to pay interest on all the bonds and 6 per cent on the stock is $575,007 30—viz., interest on Tennessee loan, $95,731 80; on first mortgage bonds, $90,510, and on second mortgage bonds, $70,000, and six per cent on the stock, $318,765 50.

CHICAGO AND NORTHWESTERN RAILWAY.

[Consolidation (June, 1864) of Chicago and Northwestern, Galena and Chicago and Peninsula Railroads, and including railroads constructed, purchased and leased].

The lines of railroad owned, leased and operated by the Chicago and Northwestern Railway Company are as follows:

WISCONSIN DIVISION		314.6 miles.
Chicago, Ill., to Fort Howard, Wis.	242.2	
Kenosha, Wis. to Rockford, Ill.	72.4	
GALENA DIVISION		261.0 "
Chicago, Ill., to E. bank of Mississippi (opp Clinton, Ia)	137 0	
Junction (30 m. W. Chicago) to Freeport, Ill	91.0	
Elgin (42 m. N. W. Chicago) to Richmond, Ill	33.0	
IOWA DIVISION (*leased lines*)		354.0 "
Bridge, E. bank of Mississippi, Ill. to Clinton, Ia	1.1	
Chicago, Iowa and Nebraska RR.—Clinton to Cedar Rapids, Ia	81.3	
Cedar Rapids and Missouri River RR.—Cedar Rapids to Missouri River	271.6	
MADISON DIVISION		67.6 "
Belvidere, Ill, (78 m. W. Chicago) to Madison, Wis	67.6	
PENINSULA DIVISION		71.2 "
Escanaba, Mich., to Cleveland Mines, Mich.	65.3	
Branches and Extensions to mines	5.9	
MILWAUKEE DIVISION—Chicago, Ill., to Milwaukee, Wis		85.0 "

Total length of railway owned, leased and operated, 1,153.4 miles, second track 30 miles, and sidings (in Chicago 27.7, and on lines 138.7) 166.4 miles; gauge, 4 feet 8½ inches.

The following shows the distribution of the 2d track and sidings on the several lines, and the total length of track in use at the close of 1867-68:

Lines of Road	Miles of Track— Main.	Sidings.	Total.
Chicago to Fort Howard	242.2	36 7	278.9
Kenosha to Rockford	72.4	3.1	75.5
Chicago to Clinton (incl. 30 m. 2d track)	138.1	78.6	216.7
Chicago Junction to Freeport	91 0	13.3	104.3
Elgin to Richmond	33.0	2.8	35.8
Clinton to Cedar Rapids	81.3	14.5	95.8
Cedar Rapids to Missouri River	271.6	24.8	296.4
Belvidere to Madison	67.6	4.0	71 6
Escanaba to mines	71.2	9.2	80.4
Chicago to Milwaukee	85.0	9 4	94.4
Total line, 2d track and sidings	1,153.4	196.4	1,349.8

The bridge across the Mississippi at Clinton was completed January 7, 1865; the Peninsula Railroad (Escanaba to Negaunee, 62 m.) was opened June 1, 1865; the Chicago and Milwaukee Railway (85 m.), was leased May 8, 1866, and the Cedar Rapids and Missouri River Railroad was opened from Boone to the Missouri River (151 miles), April 1, 1867. Since these dates these several lines have been operated by the Chicago and Northwestern Railway Company, and their operations included in the general accounts. In October, 1867, the Chicago and Northwestern Company purchased certain interests in the Winona, and St. Peter, and La Crosse, Trempealeau and Prescott Railroads, and have guaranteed bonds to the amount of $800,000, issued by the latter. These companies, however, retain their separate organization, and in no manner form part of the lines operated by this company.

The stock of locomotives and cars on hand at the date of consolidation, and at the termination (May 31) of each subsequent year has been as follows:

		June 1, '64.	1864-5.	1865-6.	1866-7.	'67-8.
Locomotives	—1st class	94	123	139	203	204
	2d class and switchings	28	31	33	44	44
	Total number	122	154	172	247	248

Description and number of cars:

		June 1, '64.	1864-5.	1865-6.	1866-7.	'67-8.
Passenger	—1st class	71	79	103	112	118
	2d class	15	15	21	21	21
	Total	86	94	124	133	139
Caboose and way		79	83	99	117	137
Baggage, mail and express		70	75	83	101	107
Boarding		..	..	2	4	4
Freight	—Box	1,892	2,000	2,230	3,554	3,56
	Platform	366	611	737	901	901
	Cattle	109	109	207	307	307
	Coal	53	53	53	53	53
	Total	2,420	2,773	3,227	4,815	4,824
Iron ore		....	214	322	519	522
Total of all cars		2,655	3,239	3,857	5,689	5,733

PASSENGER AND FREIGHT BUSINESS.

The number of passengers carried, and the tons of freight transported in each of the four years ending May 31, 1865–68, are shown in the following statement:

		1864-5.	1865-6.	1866-7.	1867-8.
Average length operated		(846.2 m.)	(924.5 m.)	(1027.6m)	(1,153m.)
Passengers carried.	From Chicago	259,034	424,192	413,440	445,850
	To Chicago	234,129	339,164	345,182	371,673
	To & from all stations	1,096,697	1,511,992	1,533,028	1,711,567
Tonnage carried	From Chicago	214,243	......	405,510	485,225
	To Chicago	530,[illegible]37	......	760,177	733,292
	To & from all stations	956,484	1,370,[illegible]16	1,726,919	1,982,429

The freight is classified as follows:

			1864-5.	1865-6.	1866-7.	1867-8.
Merchandize		tons	145,751	172,139	206,073	233,583
Coal		"	28,224	30,167	49,203	86,926
Lumber		M. ft	121,293	163,287	207,320	286,780
Flour		bbls	358,024	897,461	1,208,822	1,061,617
Wheat		bush	4,877,977	9,733,488	10,218,288	9,458,416
Corn		"	1,950,430	4,027,202	4,074,948	2,754,850
Oats		"	5,901,893	5,650 278	4,492,691	5,363,492
Rye and barley		"	521,069	950,140	1,611,863	1,665,112
Dressed hogs		tons	11,512	17,274	16,478	8,603
Hides		"	1,868	......	.....	......
Iron		"	.....	24,369	47,314	83,796
Pig iron		"	.....	221	1,956	5,672
Iron ore		"	.....	38,987	141,428	236.185
Produce of country		"	34,144	43,536	34,615	41,846
Salt		bbls	......	84,172	90,681	112,043
Heavy 4th class articles		tons	85,864	81,884	84,615	41,846
Live stock	Horses		13,115	7,444	7,686	6,628
	Cattle		126,526	107,698	77,814	53,199
	Hogs		235,835	279,049	249,896	316,991
	Sheep		113,053	64,940	51,092	40,121
Totals in net tons			956,484	1,370,516	1,726,919	1,982,429

REVENUE, EARNINGS, EXPENSES, &C.

The following statement exhibits the sources and amounts of revenue, and the objects of disbursement in the same four years ending May 31, 1868:

	1864-5.	1865-6.	1866-7.	1867-8.
Passenger earnings	$2,167,901 77	$2,510,727 52	$2,945,016 19	$3,593,031 47
Freight "	4,448,598 57	5,893,191 31	6,649,589 81	8,266,809 40
Express "	90,045 37	157,157 30	346,016 37	464,405 57
Mail "	67,885 90	77,660 22	124,485 27	172,605 90
Miscellan's "	46,317 58	105,103 86	96,627 81	137,994 12
Total gross earn's	$6,820,749 75	$8,243,840 28	$10,161,735 45	$12,614,846 16
Operating expenses	$4,295,472 86	$5,072,959 84	$6,724,265 45	$7,488,484 04
U. S. taxes on earn's	157,769 07	200,169 48	107,611 96	89,245 06
U. S. rev. tax stamps	....	4,514 64	5,684 22	6,152 31
State & county taxes	168,119 91	249,489 99	266,426 59	289,764 79
Total operating expenses and taxes	$4,621,861 84	$5,527,083 45	$7,103,993 20	$7,873,646 60
Earn's less expenses	$2,199,887 91	$2,716,756 83	$3,057,742 25	$4,741,199 86
Expenses to earnings (excl've of taxes)	62.98 p.c.	61.54 p.c.	66.17 p.c.	59 36 p.c.
Taxes to earnings	4.77	5.50	3.74	3.06
Expenses to earnings (inclusive of taxes)	67.75	67.04	69.91	62 42

The following is a statement of the gross earnings monthly for the same years:

	1864-5.	1865-6.	1866-7.	1867-8.
June	$565,145 40	$747,942 30	$92[illegible],983 47	$883,658 13
July	480,709 92	702,691 51	808,523 87	8[illegible]8,214 40
August	519,305 92	767,508 07	797,474 96	1,063,236 47
September	669,604 75	946,707 12	1,000,085 83	1,448,942 36
October	729,759 13	932,682 78	1,200,215 95	1,541,[illegible]56 80
November	716,378 30	754,671 04	1,010,892 24	1,211,530 30
December	5[illegible]3,400 50	5[illegible]7,842 40	712,358 68	879,900 39
January	541,004 79	523,565 85	696,146 61	724,889 83
February	482,164 28	3[illegible]9,917 24	574,664 34	807,477 82
March	499,296 24	523,844 97	765,398 13	850,192 67
April	468,357 69	537,518 96	774,279 53	1,094,597 56
May	585,622 82	858,948 04	895,711 84	1,211,149 81
Yearly earn'gs	$6,820,749 75	$8,243,840 28	$10,161,735 45	$12,614,846 46
Monthly average	568,395 81	686,986 69	846,977 85	1,051,237 20
Yearly earnings per mile operated.	8,060 45	8,917 08	9,888 80	10,937 09
Yearly expenses per mile operated	5,461 31	5,978 45	6,913 19	6,826 47
Yearly profits per mile operated	2,599 14	2,938 63	2,975 61	4,110 62
Expenses to earnings per cent	67.75	67.04	69.91	62.42

The earnings and expenses by divisions for the year 1867-68, was as follows:

Divisions.	Gross earnings.	Operating expenses. Amount.	Operating expenses. Rates, p.c.	Nett earnings.
Wisconsin	$3,156,059 79	$2,0[illegible]9,173 98	63.66	$1,[illegible]46,885 81
Galena	4,293,657 81	2,482,706 93	57 82	1,8[illegible]0,951 38
Iowa	3,415,695 87	2,360,96[illegible] 78	69.12	1,054,734 09
Madison	226,797 91	153,375 12	67.62	73 422 79
Peninsula	44[illegible],0[illegible]3 48	278,837 90	62.65	166,[illegible]86 48
Milwaukee	1,077,617 60	588,592 29	54.62	489,025 31
Total	$12,614,846 46	$7,873,646 60	62.42	$4,741,199 68

INCOME ACCOUNT—DISPOSITION OF REVENUE.

The following statement exhibits the nett receipts from earnings, and the mode of their disbursement for the four fiscal years, as above:

	1864-65. $	1865-66. $	1866-67. $	1867-68. $
Balance from previous year	....	157,603 59	483,988 22	468,221 46
Nett earnings in year	2,199,387 91	2,716,7[illegible]6 83	3,057,742 25	4,741,199 86
Total resources	2,[illegible]99,387 91	2,[illegible]74,360 42	3,541,73[illegible] 47	5,209,421 32

Disbursed on the following accounts :

Interest and exchange (including interest and dividends on the Chic. and Milw. Railway and the Beloit & Mad. RR bonds and stocks	750,470 00	943,795 85	1,275,324 02	1,342,878 36
Sinking funds		65,120 00	59,120 00	53,120 00
Chic, Iowa & Nebr. RR. rent	397,115 98	36[illegible],831 59	373,411 53	562,990 65
Cedar R. & Mo. Riv. RR rent		152,[illegible] 23	265,819 41	419,348 34
Discount on securities sold	5[illegible]1,326 19	415,799 [illegible]0	117,83[illegible] 05	... .
Dividends on preferred stock	372,872 15	447,135 83	982,000 00	*1,323,180 00
Dividends on common stock	....	....	... .	*1,486,930 00
Total disbursements	2,04[illegible],784 32	2,390,872 20	3,073,506 01	5,188 947 15
Balance to next year	$157,603 59	$483,988 22	$468,224 46	$20,476 97

GENERAL BALANCE SHEET.

The financial condition of the Chicago and Northwestern Railway Company, May 31, 1865–68, four years, is shown in the following abstract :

	1865.	1866.	1867.	1868.
	$	$	$	$
Capital stock—common	13,16[illegible],921 18	13,147,901 18	13,232,495 61	14,555,675 61
" —preferred	12,9[illegible]4,719 79	13,019,055 79	14,789.125 42	16,356,287 42
Funded debt	12,020,482 87	14,051,[illegible]00 00	16,25[illegible],000 00	15,976,000 00
Bonds of leased roads guar.	....	....	....	2,[illegible]97,400 00
Nett floating debt	825,398 44	277,150 85	1,123 476 55	226,264 47
Balance of income	157,6[illegible]3 59	483,988 22	468 224 46	2[illegible],[illegible]76 97
Total	39,159,125 87	41,006,096 04	45,864,322 04	49,282,104 47

Per contra : the charges which follow—

Old construction	34,349,605 79	35,079,[illegible]85 25	35,272,814 39	39,811,092 62
New construction	1,350,835 18	1,26[illegible],240 09	1,770,356 [illegible]9	2,777,203 97
New equipment	1,102,024 40	1.539,935 02	4,828,399 50	4,958,899 50
Securities on hand	1,340,7[illegible]8 4[illegible]	1,906,709 77	2,629,59[illegible] 1[illegible]	629,179 76
Materials on hand	1,015,932 06	1,208,625 91	1,3[illegible]3,158 76	1,055,728 62
Total	39,159,125 87	41,006,096 04	45,864,322 04	49,282,104 47

LIABILITIES AND ASSETS—FLOATING DEBT.

The following is a statement of the liabilities and assets, the difference between the amounts of which constitutes the "net floating debt" as given in the annual balance sheets of May 31, 1865–68 :

	1865.	1866.	1867.	1868.
Bills payable	$852,779 57	$330 972 59	$1,380,755 61	$80,579 84
Galena stock premium ($3 a share)	5,931 00	....	....	....
Ticket & freight balances	134,787 56	140,544 22	113,881 78	123,562 23
Leased roads for rental	....	175,072 91	110.201 42	2[illegible]6,960 58
Coup' & div. uncollect'd	....	87,114 91	1[illegible]5,3[illegible]0 69	71,914 00
Bills & accounts, including May pay-rolls	735,755 84	772,702 49	925,500 85	721,016 47
La Crosse, Tremealeau & Prescott R.R. Co	....	....	.. .. .	511,323 74
Total liabilities	1,729,253 97	1,506,407 12	2,685,660 35	1,735,356 86

Less the following assets :

Ticket & freight balances	$131,033 83	$139,229 63	$212,565 69	$268,799 06
Uncollected earnings	199,319 96	286,826 50	576,805 28	416,387 62
Express companies	....	... ...	19,246 86	2,853 66
U. S. Government	49.646 04	23,710 43	13[illegible],935 87	207,966 07
Corporat's & individuals	109,196 85	248,698 79	25[illegible],063 11	20[illegible],945 47
Cash on hand	414,658 85	5[illegible]0,790 92	321,566 99	409,140 51
Total assets	$903,855 53	$1,229,256 27	$1,512,183 80	$1,509.092 39
Nett floating debt	$825,398 44	$277,150 85	$1,123.476 55	$226,264 69

* 10 per cent, payable in stock.

STOCKS, BONDS, &C., OWNED BY COMPANY.

The "securities on hand" given as an aggregate in the balance abstracts as above, are enumerated at large in the following summary:

	1865.	1866.	1867.	1868.
	$	$	$	$
1st & 2d Mort. (Gal. & Chic. Union RR) bds	7,000	253,000	293,000	284,000
1st Mort. (Ced. Rpds. & Mo. Riv. RR) bds	27,500	27,500	....	....
1st Mort (Bel & Mad RR) bds	4,000	....	....	....
Sterling Bridge Co's. stock	2,000	2,000	2,000	2,000
Dub. & Sioux City RR Co's. pref. stock	8,323	8,304	8,304	....
Dub. & Sioux City RR Co's. 1st Mort. bds	2,000	6,000	6,000	....
Waupaca and Weyauwega town bonds	5,100	2,100	2,100	2,100
Propeller "Favorite" stock	10,455	10,455	10,455	....
Chicago & Mil. RR Co.'s stock	1,274,350	1,274,350	2,018,200	...
Flagg Trust bonds, C. & N. W. Co	....	45,000	....	....
Consol. skg. f'd bonds " "	....	50,000	....	....
Peninsula RR 1st mort. bonds	....	143,000	....	....
Equipment bonds, C. & N. W. Co	....	83,000	....	....
Dubuque Southwestern RR Co.'s bonds	....	4,000	4,000	4,000
Green Bay Transit Co.'s stock and loans	....	....	274,200	....
Northern Pacific RR subscription	....	....	11,333	20,000
St. Paul & Chicago RR 1st mort. bonds	....	....	....	17,000
" " " loans	....	....	....	68,579
Chicago and Milwaukee RR bonds	....	....	....	1,500
Winona & St. Peter RR stock and bonds	....	....	....	230,000
Total securities	1,340,728	1,908,709	2,629,593	629,179

The stock of the Chicago and Milwaukee Railroad Company, which figures largely in the returns for 1865, '66 and '67, has been carried to construction and so charged off. There is still a fraction in other hands amounting to $153,400; the total amount was $2,250,000. Of the Beloit and Madison Railroad Company's stock but $10,200 remains in foreign hands. With these trifling exceptions the whole property of these companies has been absorbed by the Chicago and Northwestern Railroad Company.

FUNDED AND GUARANTEED DEBT.

The funded debt at the close of the years 1865–66, both inclusive, stood as follows:

	1865.	1866.	1867.	1868.
	$	$	$	$
Flagg Trust 8 p.c. bonds	245,000	245,000	200,000	....
Pref. skg. fund 7 p. c. bonds (C. & N. W., 193 m.) 1865	1,250,000	1,250,000	1,250,000	1,249,000
Funded coupon 7 p. c. bonds (C. & N.W., 193 m.) 1883	756,000	756,000	756,000	755,000
Gen. 1st mort. 7 p. c. bonds (C. & N. W., 193 m.) 1885	3,600,000	3,600,000	3,600,000	3,595,000
Appleton exten. 7 p. c. bonds (C. & N. W., 23 m.) 1885	184,000	184,000	184,000	184,000
Green B. exten. 7 p. c. bonds (C. & N. W., 26 m.) 1885	300,000	300,000	300,000	300,000
Equipment 7 p. c. bonds (C. & N. W.) 1874	270,482	320,000	165,000	133,000
1st mort. 7 p. c. bonds (Gal. & Chic. U. RR, 249 m.) 1882	1,963,000	1,948,000	1,919,000	1,919,000
2d mort. 7 p. c. bonds (Gal. & Chic. U. RR, 249 m.) 1875	1,086,000	1,232,000	1,173,000	1,029,000
Mississippi River Bridge 7 p. c. bonds (Gal. & Chic. U. RR. 249 m.) 1884	200,000	200,000	200,000	200,000
Elgin & State Line RR purchase 6 p. c. (Gal. & Chic. U. RR, 249 m.) 1878	189,000	189,000	189,000	189,000
Peninsula RR 1st mort. 7 p. c. bonds (712 m.) 1898	1,029,000	1,200,000	1,075,000	1,075,000
Consol. skg fund 7 p. c. bonds (C. & N. W., 800 m.) 1915	948,000	2,627,100	3,040,000	3,422,000
Equipment 10 per cent bonds, 1868-71	......	......	2,200,000	1,925,000
Total funded debt	12,020,482	14,051,000	16,251,000	15,976,000

The "bonds guaranteed" by the company are as follows:

1st mortgage 7 per cent bonds	(Chic. & Mil. RR, 45 m.)	1871	$397,000
2d " " "	(" " ")	1870	57,900
2d " " "	(Mil. & Chic. RR, 40 m.)	1874	182,000
3d " " "	(" " ")	1898	10,500
1st " " "	(C. & M. Railway 85 m.)	1898	1,098,000
1st " " "	(Beloit & Mad. RR, 46 m.)	1888	372,000
Bonds of leased roads guaranteed by company			$2,097,400

MARKET PRICES OF COMPANY'S STOCKS.

Statement of the lowest and highest prices of the stocks of the Chicago and Northwestern Railroad Company at New York in each month from January 1, 1863, to the close of the fiscal year ending May 31, 1868, being for one year before and four years after consolidation.

COMMON STOCK.

	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.
June	28¼@35⅛	50 @60	23 @27	28¼@31¾	34½@44
July	27¾@38	48¾@58	26 @30⅛	30 @37	43 @51¾
August	32 @38½	52⅝@57¾	26 @30	35¾@37¾	44⅝@50
September	32 @37⅛	44⅛@54	27⅛@29⅛	34 @37⅝	38⅜@47
October	36 @47⅛	34 @46	28⅛@34⅛	38 @60⅞	41⅛@48
November	43⅛@50⅛	40¼@47¾	31 @39¾	39¾@61⅛	47 @58⅝
December	43⅛@49	38 @44¼	34¾@37½	43 @55½	55 @65½
January	45⅛@56	32 @40⅛	28 @36¾	33 @40⅛	58¼@62⅛
February	47¾@56	32¼@47	26¾@29⅛	34⅝@39⅛	58⅞@61¼
March	65⅛@88	20 @34	25⅛@27¾	32⅝@36	63 @69⅛
April	47 @77	21⅛@35¾	25¾@29⅞	29⅞@36	60 @64
May	48⅛@65⅛	20¼@33	27 @29¾	31⅛@36¾	63 @70
Year	27¾@83	20 @60	23 @39¾	28⅛@62⅛	34½@70

June, 1868, 65¼@72; July, 73@84¾; August, 80@83⅛; September, 84@90¾; and October, to 16th, 86¼@97⅜.

PREFERRED STOCK.

	1863-64.	1864-65.	1865-66.	1866-67.	1867-68.
June	....@....	86 @94½	53 @57	58 @61⅞	58⅛@64¾
July	....@....	84 @93	56⅛@66	59⅛@66⅝	65 @73¾
August	....@....	85⅛@91⅛	58⅛@64	66 @68⅛	67⅝@71¾
September	....@....	77 @88¾	60⅞@64	65⅛@72¾	63 @71¾
October	....@....	67⅛@81	62⅛@69	72¼@81	64⅞@70
November	....@....	75⅞@85⅛	64¼@69	69⅛@82	62⅝@67¾
December	....@....	69¼@78⅝	61 @65¾	68¼@84½	66¼@71⅝
Jynuary	61 @67	61¼@71⅞	53⅛@62⅝	58 @83	70¼@76
February	65 @65	61¼@67⅛	53⅝@56⅞	63¾@69⅛	72 75⅛
March	71 @87	48 @64	52¼@57	59⅛@65⅛	72⅝@76⅞
April	70 @79	48 @67	58⅛@59¾	56¾@65⅛	68 @76⅛
May	72 @94½	52⅛@63⅛	56 @61¾	56¾@63½	75 @80¾
Year	....@....	48 @94½	52⅛@69	56¾@84½	58½@80⅞

June, 1868, 77¼@84⅛; July, 78¾@84⅞; August, 79½@83¾; September, 83⅞@91¼; and October, to 16th, 87¼@97⅞.

Former notices of this company will be found in the MAGAZINES of December, 1865, and September, 1867.

RETURN TO SPECIE PAYMENTS.

BY C. H. DERBY.

At the close of the war, there were serious impediments in the way of a return to specie:—First, a floating debt of at least fifteen hundred millions, with large arrears due to army, navy and contractors. A vast paper currency in the shape of greenbacks, fractional notes and compound notes and seven-thirties with options in favor of creditor. Interest of all the debt was funded, bidding fair to exceed one hundred and eighty millions. A large army in the field to a large navy at sea, daily incurring great expense and contracts for ships, rifles, cannon, cloth and military stores for a million or more of men in course of execution.

At this time our exports were below our imports and the South

exhausted by a long war, required large supplies from abroad. To meet pressing wants it was necessary to raise a thousand millions in the fiscal year between June 1865 and June 1866, and this was effected by the Northern and Western States, with little or no aid from the Southern half of the Republic.

It was found too that the war had swept away more than a third of the live stock of the South, and made some inroads upon that of the North, and that it had nearly arrested the growth of our great crops of cotton, rice and sugar.

The greenbacks were issued as a war measure, but at the close of the war, it was not easy to resume in the face of all these difficulties. More than three years have now elapsed since the war ended, and these difficulties have been gradually surmounted. By the continuance for three years of the most productive taxes, by the growth of customs, by the sale of surplus ships and stores and conversion of gold into currency, we have extinguished the compound notes, reduced the greenbacks and brought our debt down below twenty-five hundred millions to the surprise of the nation, which feared it would equal that of England. We were wiser than she was. She issued her bonds at three per cent in consols, below sixty per cent upon their face. She floated them in depreciated currency, and thus made her debt forty-two hundred millions of dollars. We sent our bonds out at par in a similar currency and floated them at higher, but temporary interest and now we reap the advantage. We have reduced interest to $120 million in November and shall soon bring it down to $100 millions, and probably soon meet it with our taxes on foreign and domestic liquors and tobacco alone.

Our other expenses since we paid the amount due for bounties one of the war expenses and for Alaska, are down to $120 millions and may be further reduced.

Our exports of last year $355 millions on gold values exceed our imports and with an increased shipment of cotton at an advance of twenty-five per cent on last years prices, we shall probably carry up our exports to $400 millions in gold values and our revenue from customs above $180 millions.

Since October our revenue has been running at four hundred millions, and our expenses at two hundred and forty millions of dollars, bearing a large surplus for absorption of debt and future reductions. Mr. Delmar is evidently at sea, when he ceases to collect the returns of merchandize and goes into finance. He has failed to see that our revenue checked by the fall of cotton in January and February has been increasing ever since while our outgoes have been diminishing, and we are encouraged to reduce our foreign spirits, wines, tobacco, tea, wool, carpets, seed, steel

spices and print cloths on which our duties now range from one hundred to three hundred per cent both by the state of our revenue and the beneficial effect of prior reductions. Intelligent manufacturers ask for no duties on manufactures above thirty-five per cent, and our present duties on groceries alone are yielding us more revenue than all our customs before the war.

Doubtless the freedman is using more coffee, tea and sugar and foreign fabrics than the slave, where he lived on his pittance of meal and fish, and wore one suit of fustian.

We have too made important changes in the debt. The floating debt, if we except $360 millions of currency, and a few receipts for specie and three per cent bonds required by the banks, has nearly disappeared. For twenty years from the date of our five-twenties we have after the first five years the option to pay the principal at our pleasure. We have made good use of the premium on gold by sales, and still better by tempting the holders of the Seven-thirties to take six per cent in gold, drawing a premium of 40 per cent and equivalent to eight and 4 10ths per cent in paper, and now our policy is to provide the same money for the people that we give to the creditor of the nation.

While there were strong, and, as it seems to us, conclusive reasons for the issue of greenbacks to float our debt, there is good reason to believe we should have issued less. Less would have sufficed, and we could have filled any vacuum with compound interest notes at low interest, which would as the interest accumulated, have gradually retired from circulation and been self-funding. If we compare our issue of Seven-thirties with that of compound notes for the same term of three years, it is obvious that the last saved ten per cent or more to the nation.

They quietly withdrew from circulation and were funded at par. The Seven-thirties called for nearly four per cent more interest, nearly one per cent interest on interest, and under our option called also for Five-twenties, worth a premium of five to ten per cent. They have read us an important lesson on finance, and point out a very easy and simple mode of disposing of our greenbacks. Our Sub-Treasury received monthly in greenbacks about fifteen millions of dollars. Let us cancel them, as they come in, and replace them as we pay out, with an equal amount of compound notes at three per cent for three years convertible at any time with their running interest into long four per cent consols, and whenever and wherever the nation shall require new banks, let us make these bonds the basis of circulation, and meanwhile transfer to these compounds, the property of legal tenders at their par value. In twenty-four months the whole greenback currency would disappear.

But who, it will be asked will pay the interest on the compounds,

which for three years, will average about seven million yearly. This can easily be met by a tax of one per cent on bank circulation and half per cent on bank deposits, And after that, the four per cents will become a part of our funded debt at a very low rate of interest, while our surplus revenue may be applied to the payment of bonds, drawing six per cent. With the greenbacks, which are but broken promises of the nation to pay gold, which have no intrinsic value, the last impediment to a return to specie will vanish, and long before they are gone we, by an almost imperceptible process and guided by an elastic cable shall be drawn to specie payments.

The greenback now commands seventy-six cents in specie—an advance of one per cent only a month, a change to which our traders are habituated, carries it to gold in two years, and a movement accelerated to two per cent a month achieves the same result in a year.

It has been urged, in a recent article in this MAGAZINE, that we have now a population of forty millions, and property worth twenty thousand millions, and require a circulation of twenty dollars per head, or of four per cent on our property, and the writer seemed inclined to treat our bank deposits as a part of the currency, and thus to almost double our real circulation.

As respects our population, our coming census fifteen months hence, will doubtless give us forty millions. As respects our wealth we probably consumed during the war, nearly a fifth of our northern cattle, horses and swine, and more than two-fifths of this description of property in the South. But we have shown great recuperative power, since the war, and in the last three years of peace have, in the North, already more than made good our share of these losses, and at the South are fast retrieving them.

The rice of the South at nine cents produces nearly as much as the rice crop of 1859 at three cents. The cotton and rice together at eighteen cents in gold for the one, and seven in gold for the other, yield more this year than all the cotton, sugar and rice of the South yielded in 1860. Our sheep have increased seventy per cent, and there can be little doubt that the census of 1870 will show a growth of at least twenty-five per cent on the value of our farms, stocks railways and other property. And our debt, large as at first glance it may seem, when compared with the affluence of our resources, or when we compare our interest and expenses with the growing income of our people, at least thirty times larger, becomes insignificant.

As respects our currency, it seems to us that bank deposits cannot be treated as circulation, but should be regarded as hoarded wealth. If they do constitute circulation one might triple them and then return to gold,

if the United Kingdom of Great Britain and Ireland is any criterion for this country—

The British and Irish Bank Deposits are	$1,500,000,000
The paper circulation	225,000,000
The gold circulation	375,000,000
Total	$2,100,000,000

And there the bank deposits exert no deleterious influence, and gold is displacing paper and accumulating in the Bank of England, as it is also in the Bank of France. The two institutions having idle in their vaults more than three hundred and fifty millions. If the United Kingdom can maintain specie payments with such deposits, and a circulation of two hundred and twenty-five millions, and keep afloat many public exchequer bills and private sixty day bills that pass as currency, we with a third more population can easily float more than three hundred millions in bills, and a large amount in long compounds. The above amount of deposits is reliable, as it is taken from the recent valuable treatise of Patterson on British Banking and Commerce.

The measure proposed would not be onerous to commerce, because the compounds laid aside as a reserve will always be ready to perform the office of legal tenders just as the greenback now is, and might fulfil the requirements of the law, and be used either as a legal tender, or the means of borrowing them in any emergency.

It is true that the Internal Revenue might not all be paid in greenbacks, but bank notes and compounds could be easily exchanged for them as they would be even more available to the public. Let us assume that we require eight hundred millions of currency next year, and have three hundred millions in bank notes and two hundred in compound notes and greenbacks, how shall we command three hundred millions in gold. We find at once an hundred and twenty millions in the banks and Sub-Treasury. There is at least an hundred millions hoarded, or two dollars and a half for each inhabitant, and we may easily reserve one hundred millions more in the next two years from the products of our mines, from our imports, and from specie introduced by emigrants and travellers.

Ross Brown, our new minister to China, computes the annual product of our mines on both sides of the Rocky Mountains and the Sierra Nevada

to be	$80,000,000
Three hundred thousand emigrants at an average of $80 each, being	24,000,000
Our imports last year were	13,000,000
Total	$117,000,000

While returning by easy steps to specie we shall not require more than sixty millions a year from exports, and can easily reserve fifty-seven millions annually.

But if these supplies do not suffice, it would be very easy for our Secretary of the Treasury to borrow, in France or England, a hundred millions in gold, at 3 per cent, for six and twelve months, on the pledge of $150 of our long four per cent bonds, and this would give us all that would be required, and as our bonds appreciated by our return towards specie a large profit, greatly exceeding interest, might be realized from their sale. The French Government have recently borrowed for five months at one-half of one per cent a year, and for a year at one per cent. The present time is propitious for a return to specie—the nation is stronger than it thinks itself. All our statesmen who study its resources are surprised by its recuperative powers and the affluence of its resources. It should no longer compel its people to measure their property by broken promises and fluctuating standards, but return at once to gold and adopt with the European standard uniform coins, weights and measures, and thus resume its proud position among the nations.

SECRET ISSUES OF STOCKS.

The equanimity of Wall street has been disturbed by the discovery that the Erie Railroad Company has made further issues of stock, secretly and without authorization from the stockholders. It is now somewhat over two years since this Company placed over $5,000,000 of its stock in the hands of one of its directors, as collateral for a loan, upon conditions which enabled him to put the stock in circulation; that issue has become permanent. Last spring, a further issue of $10,000,000 of convertible bonds was made, which were promptly exchanged for stock; and now we have an official admission that, within the last few weeks, $10,000,000 more of these bonds have been sold, of which $5,000,000 has been already converted into stock, while the remaining $5,000,000 is to be exchanged for shares at an early day. We have thus an increase of $20,000,000 in the stock of one company within one year, without a word of previous intimation to the stockholders.

It is foreign to our purpose to inquire particularly into the purposes of these new issues; although it may serve to point the moral of our remarks to state incidentally that the New York Stock Exchange, feeling that current rumors affected seriously the security of dealings in the stock, appointed a deputation to wait upon the President of the company for explanations, the result of which may be thus stated. The President, after admitting the issue of $10,000,000 of new bonds, as before stated, intimated that the negotiation had been made for the purpose of providing funds to retire $4,000,000 of acceptances given to the Boston,

Hartford and Erie Railroad Company, against $5,000,000 of bonds taken at 80 from that corporation, and further to provide means for the purchase of steel rails, to lay an additional rail, adapting the line for either broad or narrow guage traffic. Of the $7,200,000 of money obtained on the sale of bonds in the spring, $3,000,000, according to the same authority, was used upon construction purposes; while, as to the disposal of the remaining $4,200,000, nothing was elicited beyond the fact that a large amount was spent in "settling" with parties who lately surrendered controlling positions in the affairs of the company to the present incumbents. So that, for the issue of $20,000,000 of stock, there is nothingto show beyond $5,000,000 of the bonds of another corporation, the interest of which is guaranteed by the Erie Company, the laying of a new line of rails, some minor improvements of no great consequence, and ordinary repairs, which should have been covered by the current earnings.

These facts sufficiently illustrate the grave abuses incident to directors possessing unchecked power to make issues of stock; and illustrations might easily be multiplied *ad libitum*, by reference to other companies, the action of whose directors differs from this case only in the extent of their issues. It is not surprising that these developments should have produced in Wall street a feeling bordering on consternation, nor that a more or less general distrust of stocks should have followed. If directors are to be allowed to issue new shares when they please and upon any pretence they may set up, there is no longer any security either to stockholders or to parties advancing money upon stock collaterals. There is, in fact, an end to confidence in these securities; and stock enterprises must henceforth stand at a discount. Nearly all our large undertakings are accomplished through a combination of subscribers, whose proprietory interest is represented by the scrip or stock they severally hold. If the number of shares may be increased at the will of the directors, and the new stock may be sold at any price the managers may choose to accept, it is very clear that the stockholders are constantly liable to have their interest in the property reduced; and if, moreover, these issues may be made secretly, so that the shareholder knows nothing of them until the shares are marketed, he has no chance whatever to protect himself against the consequent depreciation in the value of his stock and is doubly injured. The effect of such uncertainties, if continued, must be to discourage corporate undertakings, and to limit our progress to what may be accomplished by individual enterprise, a result which would be an unmitigated misfortune.

This license to directors further tends to depreciate the value of share investments by rendering stocks unreliable as collaterals. Lenders are

liable at any moment to find that stocks upon which they have advanced money have become suddenly depreciated by new issues. To say that they can protect themselves by calling for an increased margin from the borrower in cases of depreciation, is to assume that the borrower would be able or disposed to keep up his margin under the uncertainty or the panic attending the revelation of the new issue, an assumption which cannot be allowed. A succession of such developments as we have witnessed now in the case of the Erie Company, and recently in connection with other companies, can have no other result than to make lenders less disposed to advance money upon this class of securities, and to induce them to demand larger margins generally upon such loans. Perhaps, as far as respects Wall street speculations, this might be regarded as a resutl not without obvious compensations; but there are others who have to borrow upon stocks besides speculators, and to such the consequence would be a serious injury.

The possession of this power of secret issue acts as a demoralizing temptation to directors. Issues of new stock always produce more or less fluctuation in the value of the shares; and the fluctuations afford an opportunity for highly profitable speculation to those in the secret. For illustration, let a suppositious case be taken in connection with the new issues by the Erie Company. The directors issued $10,000,000 of bonds say at 50, with the understanding that the bonds should be early converted into stock and placed secretly on the market. They were aware that the probable result, when the operation became known, would be to put down the price 10 to 15 per cent. In anticipation of this decline they sell, say, 100,000 shares for future delivery, and then, announcing the fact of the new issue, buy up the stock at the decline to make their deliveries. The whole operation would make them a profit of $1,000,000 to $1,500,000—so much taken out of the pockets of the deluded public by official secresy. Let it be further supposed that, say, $5,000,000 o new stock were issued for some purely fictitious purpose, and that the directors should subsequently profess to find that the company less needed the funds than was expected, and that consequently the the stock could be bought in and cancelled. Let it furthor be supposed that the stock thus solo were quietly marketed at 50, and that the announcement of the new issue, concurrently with depreciatory representations and street manipulation of the stock, were to put down the price to 40. In this case, there is a margin of 10 per cent profit on "short" sales in anticipation of the decline, and an equal profit upon purchases of $5,000,000 of stock to be made at the decline, with a view to its ultimate return to the company at the price at which it was issued; making a profit on the combined elling and buying accounts of $1,000,000. Indeed, the directors of this

company can at any time throw any amount of new stock upon the market for their own speculative purposes, buying it back again at the consequent decline, and then cancelling an equal amount of shares. We express no opinion as to whether operations similar to these are now being carried on by the Company in question; certain, however, it is that these things can be done; and the recent history of the Erie management affords no guarantee that those who usualiy control its affairs are above such expedients. To say the least, the fact of the administrators of the affairs of a company representing $75,000,000 of capital possessing such sweeping powers has a demoralizing tendency which can hardly fail sooner or later to corrupt the direction. Such facilities for speculation tend to make the management a mere means to the most reckless operations, and should not be allowed longer to remain undisturbed by the Legislature.

The evil is by no means one hopeless of remedy. All scandals upon the reputation of our corporations can be removed by the State Legislatures enacting: 1. That directors shall make no new issues of stock except by and with the consent of two-thirds of the stockholders in interest. 2. That no new shares shall be issued without first offering them to the existing shareholders, and that all issues shall be made openly and after due notice. 3. That all stock companies shall keep a record of the amount of their stock outstanding, in the office of some well-known financial institution, at all times open to the inspection of the shareholders, or of parties holding the shares as collateral for loans. 4. That these requirements shall apply to stock issued in the way of dividends as well as for other purposes; and, 5. Any violation of these provisions should be constituted a criminal offense, subject to punishment and fine.

THE PACIFIC RAILROADS AND RAILROAD PROGRESS.

The great Continental line of railroad which is to connect our Atlantic and Pacific borders, and develope the interior in an ever increasing ratio, is now approaching completion. The latest official reports inform us that the Union Pacific has reached 880 miles from Omaha, the initial point on the Missouri River; and that the Central Pacific has reached a point 350 miles from Sacramento on the river of the same name, the western terminus in California. The total length of the two roads thus approaching union will be 1,657 miles and hence only 427 miles remain to be constructed to finish the work contemplated.

The mission of this highway is by no means of a purely domestic character. It is to become the transit line of the commerce between the opposite sides of the old world. But the benefits to the territory through wl ich it passes are already apparent. A few years ago the country

traversed was scarcely a home for civilized man. It is now far on the road to prosperity, and settlements have been made and new States and territories marked out with unprecedented rapidity. It is true that special natural inducements have operated largely to effect this result. But how much more rapid has the development been since these railroads were commenced. The miners of Colorado, Idaho, Nevada, &c., were virtually isolated from the world of commerce, and dependent for intermittent communication on laborious travel over mountain and plain. Now their labor is made doubly remunerative by the facilities given to travel and transportation.

When these enterprises were commenced no railroad from the East had reached the banks of the Missouri River, and the only means the Union Company possessed of getting forward material and supplies was by way of that river. This was a slow and toilsome process, but it showed the necessity for the immediate construction of connecting lines, and the Chicago Division of the Chicago and Northwestern Railroad was extemporized, and since then a line of railroad from St. Louis to Omaha has been completed. Several other railroads in Iowa and Missouri, pointing to Omaha, are also in progress, so that the former deficiency will soon be fully supplied.

Nor was it alone in the States between the Mississippi and Missouri that the construction of the Pacific railroads made further improvements necessary. From the Mississippi to the Atlantic coast there was not a single line on the shortest route. To remedy this defect was a necessity; while to secure a share in the commerce that is to be developed by the Pacific railroads has been the aim of all the railroad companies whose lines transverse this section, and the great cities of the Atlantic seaboard have been preparing for the commercial advantages to result from this interior enterprise.

That the greatest improvement should have been made in the new States west of New York, Pennsylvania and Maryland is not surprising. To these population has been directed in the greatest measure, and in them the defects in system were most notable. In the older States, east of that line, the system was more complete, but even in these extensive improvements have been made and are being made.

The result of much of this effort may be stated as follows: In 1865, the first 40 miles of the Union Pacific Railroad was laid; in 1866 there were constructed 265 miles; in 1867 a further length of 245 miles, and to date in 1868 there has been constructed 330 miles, or, in four years, 880 miles. The Central Pacific, notwithstanding the intervention of the Sierra Nevada, has progressed with equal rapidity; and the Union Pacific (E. D.) is now in operation from Kansas City to Sheridan, 405

miles. Railroad construction in the States east of the Mississippi and west of Pennsylvania has been during this period as follows:

	Miles of Road.			Cost of Roads.		
	1864.	1868.	Incr.	1864.	1868.	Increase.
Iowa	800	1,680	880	$26,000,000	$57,560,000	$31,500,000
Missouri	920	1,200	280	47,000,000	56,000,000	9,000,000
Minnesota	160	560	400	5,000,000	16,800,000	11,800,000
Wisconsin	1,050	1,200	150	40,000,000	48,000,000	8,000,000
Illinois	3,[illegible]00	3,400	30	117,500,000	15[illegible],500,000	40,000,000
Michigan	870	1,260	390	32,000,000	45,000,000	13,000,000
Indiana	2,200	2,600	400	71,300,000	104,500,000	33,200,000
Ohio	3,200	3,340	110	121,000,000	167,500,000	46,500,000
Total	12,300	15,110	2,890	$459,800,000	$652,800,000	$193,000,000

Thus in these eight States in four years nearly 3,000 miles of new railroad have been laid and millions of dollars expended, not only on these, but also in improving previously existing lines. The total increase in cost has been nearly $200,000,000, or about $15 per head of the population.

Among the principal railroads in progress or constructed in the four years referred to the following are the most important:

In Iowa: the Iowa division of the Chicago and North Western, the Iowa division of the Chicago, Rock Island and Pacific, the Burlington and Missouri River, the Sioux City and Pacific, and the St. Joseph and Council Bluffs. By the time that the Pacific railroad is completed, the Rock Island and Burlington lines will have reached the Missouri.

In Missouri: the Pacific of Missouri, and the extensions of the North Missouri towards Iowa and the Missouri River. The Southern Pacific is also being extended southwest, and the St. Louis and Iron Mountain south, the latter to a connection with the Southern railroads at Columbus, Ky. The St. Joseph and Council Bluffs Railroad has also been completed to a connection with the Iowa railroad of the same name, giving St. Louis an indirect route to Omaha. Several other roads are projected to connect with the Union Pacific Railroads.

In Minnesota: the Milwaukee and St. Paul, the Winona and St. Peter, and the Minnesota Valley. Considerable progress has also been made in the first division of the Pacific Railroad and its branch north to Watab has been opened through.

In Illinois: the St. Louis, Jacksonville and Chicago, which gives another connection to the Illinois Central. The Rockford, Rock Island and St. Louis is now in course of construction, chiefly as a mineral road, and designed to supply coal to railroads, &c. The St. Louis, Vandalia and Terre Haute, and the Cairo, Mound City and Vincennes are also in progress, with a view to their early completion.

In Michigan: the Jackson, Lansing and Saginaw, and the Flint and Pere Marquette are the principal new constructions. There is also being constructed a more direct line between Port Huron and Chicago, known

as the Air-line. The Grand River Valley Railroad is approaching completion.

In Indiana: the Columbus, Chicago and Indiana Central Railroad has completed a line from Union City to Loganport and consolidated into itself the Chicago and Great Eastern, the Indiana Central and the Logansport and Burlington. There is also being built a line from Indianapolis to Vincennes to connect with the road to Mound City and Cairo; and several other lines are projected.

And in Ohio: several short lines, chiefly auxiliaries of existing lines. In this State several important consolidations have been effected.

Further east the principal developments have been rather improvements than new works. In New York the Erie is having a third rail laid to accommodate the narrow cars. The Hudson River has completed its second track, &c. The lines in progress from the Hudson have chiefly a northwestern direction, and will connect with the Central, the Midland being the most important. In a few years the Boston, Hartford and Erie will continue the Erie Railway to Boston. In the city of New York the depot and warehouse accommodation has been largely extended. In Pennsylvania, especially in the eastern portion, the extension of roads is being rapidly carried on, the objective points being Easton, on the Delaware, and New York city. In the southwest of the State the construction of the Pittsburg and Connellsville railroad to a connection with the Baltimore and Ohio is being carried on actively. New Jersey has also made extensive improvements in its railroads and accommodations for an increasing traffic. The works at Hoboken, Jersey City, Communipaw and Elizabeth port are among the most extensive in the United States. In the Delaware peninsula railroad building is very active; and Maryland is connecting Baltimore more firmly with both East and West.

This activity in railroad construction and improvement is not local, but is everywhere apparent. It will bring many parts of the country, as yet isolated from markets, into connection with the centres of commerce, and tend largely to the development of national industry. It is the precursor of a vast revolution in the relations of distant parts of the country one with the other, and will result in a harmony of interests to which we have hitherto been strangers. In the South the same spirit of enterprise which has prompted the Northern States to action is fully roused, and in several instances where private capital has been wanting, the States have come to the rescue and supplied the means required Tennessee, South Carolina and Alabama are conspicuous for the aid they have voted to great enterprises. In a few weeks the Selma, Rome and Dalton Railroad will be completed, and give us a more direct route to Mobile and New Orleans. So in every direction the maps are now networked with lines of road which the future is to realize.

THE PRESIDENTIAL ELECTION.

When the king of France died, under the old *regime*, it was customary for the chief chamberlain of the palace in which the event took place to signify it to the assembled courtiers, in the ante-room of the state chamber, by throwing open a door and crying out: "The king is dead! Long live the king!" This quaint ceremony symbolized, tersely enough, the fiction, which, after all, was no fiction, of the undying nature of the chief executive office. The monarch was mortal. The monarchy was immortal.

Something of the feeling expressed in this antique royal rite pervades the people of all countries in which the people have some recognized connexion with their system of government more deep and vital than that of mere obedience to a superior force handled by superior cunning. It certainly pervades the people of the United States, and pervading them, it ballasts with a substratum of rational composure the ship of state, in the height of every political tempest. No matter how hot and fierce may be the contest of parties for power, the great masses of the people feel that, end their contest as it may, the substantial framework of the Republic will endure. One President may disappear into private life. Another may emerge into the trying and dazzling daylight of power; and the country may suffer something or gain something, in the matter of the direction of its public affairs, by the change, but the people never believe that the suffering will be fatal or the gain vital. The politicians, of course, assert the contrary, during the heat of the canvass; the people, for the time of the canvass, act as if they felt the assertions of the politicians to be true, for there is a kind of moral fever engendered by the excitement of a political contest. But the canvass once over, the peeple relapse into their normal confidence in their institutions. There is a side of danger, of course, as well as a side of safety in this relation of the people to their politics. It is certainly possible that the institutions of a republic as well as the institutions of a monarchy may be imperiled by the over-weening confidence of the nation in their stability. It is certainly possible that the change from one President to another may at some given time, and under some particular condition of circumstances, lead to profound and permanent modifications in the national constitution.

But, on the whole, and taking the average of what we may call a nation's chance, especially in the case of a nation so made up and so situated as our own, it is probably true that we gain in respect to impulse and elasticity more than we lose in respect to prudence and caution from this temperament of the people and of the times. Such, at least, is the general conviction of thinking men among us, as shown in the turn which pri-

vate affairs commonly take after the termination of a great public contest. This is commonly a favorable turn, and that it is so is universally admitted to flow from the general feeling that a political decision, simply because it is a decision, remits the nation to a course of probable safety. The election of General Grant has not yet, it is true, been followed by the usual indications at the great financial centres of the country which mark the recognition by the popular sense of a decision as an advantage. This may be accounted for, however, mainly by the peculiar and unusual condition of our money market the past two weeks, and partly, no doubt, by the singular and abnormal condition into which the business interests, not only of the United States but of Europe, have been brought during the last three years; on this side of the Atlantic by the unsettled relations of the lately rebellious States to the rest of the country, and, on the other side of the Atlantic, by the vexatious and incomprehensible relations of the two great military powers, Germany and France, with each other and with the rest of Europe. It is at least certain that the election of General Grant, if it has failed to work the usual miracle of reviving commercial confidence, has not still further depressed it. On the contrary, it may be assumed from the antecedents of this election, and from the peculiar political situation of the newly chosen Chief Magistrate, that so far as the fact of his election influences commercial confidence at all, the influence will be beneficial.

For nothing is more clear to the impartial observer than this: that General Grant's election, no matter what may have been the motive of some of his supporters in urging it, is a triumph of the conservatism and honesty of our people. His nomination was made in response to the desire so widely expressed for peace and rest from strife. He became the chosen leader of a great party, not because he was a politician, but because he was not a politician; and he is trusted now because it is believed he will not seek mere party ends but the country's highest good. What the nation most needs now is repose. It needs to be assured that peace is a reality, and that peace will be as permanent as it is real. It needs to be satisfied that passion will hereafter play a smaller, and reason a greater part in the influence of parties upon public policy. It needs to see a harmony based on mutual respect, existing and efficient between the executive and the legislative branches of the general government. All of these things which the country so greatly needed are made not unreasonable expectations by the conditions under which General Grant has been chosen, and by the popular understanding of General Grant's own character and purposes.

In the light of such anticipations the country will look forward to the selection by General Grant, of advisers who will represent not any

sectional feelings, passions or theories, but the broad and national and patriotic spirit of the substantial people of the republic. From an administration constituted, as it would certainly seem to be more practicable for General Grant than it would have have for any other man now before the country to constitute an administration, the country will expect a policy of financial retrenchment and prudence, a conciliatory and yet a resolute control of all internal questions justly appertaining to the domain of the federal authority, and a judicious remission of many of the matters which have of late most perplexed our public policy, and most embittered the passions of party, to the unobtrusive and smoothly working system of local independence, combined with general responsibility, which was originally the most distinctive feature, and is still the strongest anchor of American institutions.

PROSPECTS OF THE COTTON TRADE.

Cotton has well nigh gained its former importance as the great commercial crop of the country. The exportable surplus of the staple may now be estimated as worth $125,000,000 in gold; which is near its average value between 1855 and 1860. The growing magnitude of this branch of the export trade renders it especially important to ascertain as nearly as possible what are the prospects as to the value and the movements of this particular staple. The premium on gold is very directly influenced by the supply of cotton bills; and the exports of other products are materially affected by the premium on gold; so that, in an important sense, the cotton movement may be said to control our whole export trade. The supply and demand, however, have during the late war been subject to so many fluctuations, that it is difficult to form satisfactory estimates of the cause of things a few months ahead; each successive year, however, the movements are assuming more regularity, while they afford an accumulation of new data for our guidance.

The general tenor of reports has, during late weeks, become more favorable, so that now the prevailing anticipation in this market is that the Southern crop will exceed that of last year. The injury by rains and the worm has proved less serious than was at one time expected, while the picking season has been very favorable; so that if the election and after-election excitement does not interfere with the work of the freedmen, it is now believed among the better informed that an increase of about 200,000 bales upon the last crop may be relied upon with considerable confidence, which would give us a total of say 2,700,000 bales. The fact of the arrivals of cotton at the ports, since September 1, having been over 90 per cent in excess of those of last year is an indication of this improve.

ment in the supply; and yet only partially so, for the crop this year is about three weeks earlier than last year, while in the fall of 1867 trade at the Southern ports was checked by the prevalence of yellow fever. The prospects of the supply in other cotton growing countries appear to be on the whole satisfactory. There were some reports earlier in the season of injury from the rains to the plant in India, but the later advices are all favorable; and it is inferred from the fact that the bulk of the last crop was marketed when prices were high that the area planted will be large, though we do not look for any material increase from that quarter. From Egypt, however, the supply is estimated at about 400,000 bales, as against 250,000 bales last year, while the reports from Brazil are all favorable, the high prices obtained for the last crop having induced, it is believed, some increase of planting. It would seem, then, that the combined supply in America, Brazil, and Egypt may exceed that of last year by say 350,000 bales of 450 lbs. each, which is equal to an addition to the world's consumption of about 7,000 bales per week. It is not to be assumed, however, that the whole of this additional supply will reach Europe. Our own manufacturers had reduced their stocks to an unprecedentedly low point before the crop began to arrive, and not only will they have to compensate for this deficiency in supply on hand, but they are likely to require an increased amount for actual consumption, to meet the extra demand naturally growing out of an improved condition of trade throughout the country generally, and especially in the Southern States. For this reason, Liverpool is not likely to be much benefited by the enlarged Southern crop.

The present condition of stocks in Europe and of the supply afloat combined does not in the total differ very materially from the same period of last year, as will be seen from the following comparison:

IN STOCKS AND AFLOAT.

	1868, bales.	1867 bales.
LIVERPOOL, November 6th.		
Stock	426,000	571,000
Afloat	284,000	226,000
LONDON, October 22d.		
Stock	89,088	118,343
Afloat	184,914	74,179
HAVRE, October 9th.		
Stock	50,429	80,149
Afloat, in excess of 1867	29,835	......
Total visible supply	1,014,216	1,069,371
Decrease	55,155	......

There is, however, as affecting prices in this country, a material difference in the nature of the stock, the total amount of American on hand at Liverpool, at the date given above, being only 48,000 bales, against 133,000 bales at this time last year. But, aside from this circumstance, it will be seen that the visible supply of Europe is 55,155 bales less than

at the same period of last year; which requires to be set off against the probable increased supply from the new crops, if we suppose it is necessary for the present stocks to be maintained. Making this allowance, then, and supposing that the major portion of the increase in the crop of American will be required at home, it appears that Europe may anticipate results exceeding those of last year by about 200,000 bales, which would allow an increase in the weekly consumption of 3,840 bales over last year. We find that the amount taken by the trade at Liverpool last year, from October 3 to December 31, averaged 57,870 bales per week; while, for the first four weeks of the corresponding period of this year, the purchases of the trade have averaged 58,360 bales, or about 500 bales per week more. For evident reasons, however, the purchases of the trade for the last few weeks are not perhaps a fair indication of the consumption. The following is a statement of the average weekly consumption for the nine months ending October 1 of the two years:

	American.	Brazil.	W. Indian.	East Ind.	Mediter'n.	Total.
1868.... ....bales.	24,414	10,736	2,042	13,406	3,480	54.078
1867...........	20,973	5,387	2,149	14,852	2,844	46,295

This statement shows a weekly increase of 7,873 bales. The present price of cotton at Liverpool, however, is one-third higher than the average price during the last quarter of 1867; which does not favor the supposition that the rate of consumption during the balance of the year will keep up to the high rate indicated above, assuming that the price remains near the present quotations.

The home trade of Great Britain appears to be steadily recovering, and the demand from the agricultural districts, stimulated by the large wheat crop, is expected to prove larger than in late years. On the Continent, there is a more assured political feeling; the grain and wine crops are abundant; and enlarged orders for yarns and goods are expected from that source. Perhaps the wants of eastern countries may prove moderate. The India and China markets were glutted with goods at the beginning of this year, when prices were low; and, stocks being larger than usual, there will naturally be some reluctance to buy largely at the advance in prices required by the present value of cotton. The South American markets being affected adversely by the continuance of war and by the late earthquakes, are not likely to require their average amount of manufactures. The probabilities would thus appear to favor a fair, steady demand for goods, not below that of last year, possibly above it.

There are some other considerations which are not unlikely to have a certain degree of influence upon the price during the next few weeks. It is usually the policy of the Liverpool dealers to encourage a free export from the United States early in the season, with a view to getting a large

amount afloat and centered at the southern ports; and when a considerable proportion of the crop is in process of movement towards Liverpool, the price is allowed to drop, and the cotton falls into the hands of English buyers at low prices. It remains to be seen whether the fact of the crop being this year held to an unusually large extent by the planters may not partially thwart this trade trick. The planters well enough understand the game of the Liverpool buyers; and if their financial condition is such as to enable them to hold on for the best market, they will doubtless keep back their cotton in the event of any extreme decline abroad. It is not, however, certain as yet that they have adequate resources for thus protecting themselves. The present extreme stringency of money at New York is not favorable to the holding of cotton at the ports. The banks have urgent applications for money from the South, to which they cannot respond; and, unless it should prove that the monetary pressure is largely due to artificial meddling, it is quite possible that cotton may have to be shipped more freely than is consistent with the interests of holders.

MONEY AND CURRENCY.

There is another article under this head in the October number of the Magazine, in which the writer criticises both myself and Mr. Carroll; and also raises certain objections to political economy as a science.

Now political economy may or may not be entitled to be called an exact science, that perhaps is a matter of opinion only, but J. S. R. has quoted Mathews, let us hear what Dr. McCulloch has to say upon the subject. In alluding to the condition and progress of the sciences in general he says: "None of them has been instantaneously carried to perfection; more or less error has always insinuated itself into the speculations of their earliest cultivators. But the errors with which this science (political economy) was formerly infected, are now fast disappearing, and a few observations will suffice to show that it really admits of as much certainty in its conclusion as any science founded on fact and experiment can possibly do." And we think with Dr. McCulloch, that its principles are now getting to be pretty well understood, though it may suit the interest or prejudices of some parties to disparage them.

With respect to the confusion of terms; that is, perhaps, also a necessity of the incipiency of the science; but no doubt it has partly arisen from the opposing schools of philosophy, as well as from the wilful misapplication of terms by non-professors of the science. But this is a matter of very small moment, as by a little attention we may very easily under-

stand the meaning of the author upon any part of the subject. And what does it matter whether we call the fertility of the soil, and the vegetable and mineral productions of the earth, capital or natural agents? They all become capital when they become property, and their relative quantity and convenience for consumption must always limit the power of labor; and, therefore, the profit on all other capital. But I must now attend more especially to the objections raised by J. S. R. to some of the propositions of my former article.

He seems to admit that under certain circumstances, an inconvertible government currency might be practicable, even without the standard of value; that is, "so long as other countries adhered to the gold standard." "This would be virtually a currency at par with gold, being at par with the currencies of other countries." This is no doubt quite correct, and in that case we should not only get rid of the expense of the getting of the gold we at present export, but should obtain the gold we imported from other countries for nothing; while some of them would have to pay for it at the present fixed price; and others more fortunate might receive a portion of it upon the same terms as ourselves. But the difficulty with J. S. R. is expressed in the following words: "But if all other countries should depart from it (the standard of value), how could they regulate each other?" Now this is a point upon which no difficulty could possibly arise. Gold would be then in the same position as all other commodities; its production being regulated by its natural or exchangeable value, which would be accurately measured by the money of account, the nominal dollar.

It is a fact which nobody denies that the value of the precious metals varies less than that of any other commodity; and experience seems to demonstrate that the supply is inexhaustible. Therefore we need not fear any variation in value nor amount; as it would not be for the interest of the miner to lower their relative price; nor to produce them at less than the average profit. We might, therefore, supposing the currency at par, with the greatest confidence, establish it at the present rate of gold as per dollar; say about eighteen and a half dollars per ounce; and make this prices of gold the par value of the currency. There would, of course, be a price for gold in all countries, and, therefore, no difficulty in calculating the relative values of the different currencies, whatever their denomination or relative amount. There would be no commercial balances to pay, as the exports would always balance the imports. We should have no panics, nor monetary disorders of any kind; and what would be better still, we should have no fluctuations in the demand for labor arising from those causes. We should also have the advantage of getting rid of "the imperfections of gold as a standard of value," without being forced to find

either a better or a worse substitute. Having disposed of this difficulty we pass now to the next proposition.

Mr. J. S. R. proceeds to say, "On the question of interest, Mr. Carroll seems in the right. If interest is not the rent of capital what is it? It is certainly rent paid for the use of something; and if that something cannot as capital be employed in producing wealth why does it command a rent."

From this it would appear as though I had denied that interest was the rent of capital; whereas I have held no such language, nor do I hold any such opinion. What I did say was to the following effect: "That interest is the rent of capital permanently invested upon undoubted security none will deny; but under the present system and practice of banking, gold-getting, stock-jobbing, &c., and the very extensive financial operations of almost all the governments of the world, that principle can have but the least possible effect at present in regulating the interest or discount on money." I therefore did not deny that interest was the rent of capital. I merely intimated, what any candid person will admit, that the rate of profit upon capital had at present very little influence upon the rate of interest on bank discounts.

Mr. Mill, speaking upon this point (book 3d, chap. 23), says: "This is evidently a question of demand and supply. Nor have demand and supply any different meaning or effect in this case from what they have in all others. The rate of interest will be such as to equalize the demand for loans with the supply of them. It will be such, that exactly as much as some people are desirous to borrow at that rate, others will be willing to lend. If there is more offered than demanded, interest will fall; if more is demanded than offered, interest will rise; and in both cases to the point at which the point of equation of supply and demand is re-established."

Both the demand and supply of loans fluctuate more incessantly than any other demand and supply whatsoever. The fluctuations in other things depend on a limited number of influencing circumstances; but the desire to borrow, and the willingness to lend are more or less influenced by every circumstance which affects the state or progress of industry or commerce, either generally or in any of their branches.

No doubt this is correct, but if Mr. Carroll or J. S. R. are not satisfied with the dictum, they can, if they choose, like the celebrated Don Quixote, take a tilt at the Mill, and with probably as much chance of success. Both of them assume that it is the increase of capital which lowers the rate of interest or profit. J. S. R., with reference to this point, says: "But when understood, as it evidently must be, relatively to the demand of production, it is undoubtedly true that the increase of capital does tend to

diminish, and does actually diminish the rate of interest, until at length the diminution of interest even checks the accumulation of capital, as shown in England, Holland and France."

That the rate of profit diminishes, and therefore that of interest upon permanent investments with good security, as before stated, as population increases no one will deny; but the cause is not to be found in the superior increase of capital. On the contrary, this diminution of the rate of profit is caused by a tendency to a relative decrease of capital. Or, in other words, as population increases the capital required for their maintenance is more difficult of attainment. It is spread over a wider surface, and is found in more difficult positions. Capital is divided into fixed and circulating.

The first, according to my opinion, previously expressed, includes the land, its minerals and natural productions; the second, all kinds of skill, machinery and other necessaries.

It must be acknowledged by all who take the trouble to think, and it is conceded by Mill and others that the profit on circulating capital is necessarily limited by the power of production on the worst soil in cultivation, or on that at the greatest distance from the consumer. In other words, the rate of profit on circulating capital depends upon the amount of labor required for the production of a given amount of food and other necessaries.

Mill, in reference to the subject, says: (chapter on profits) "It thus appears that the two elements on which, and which *alone*, the gains of the capitalists depend are, first, the magnitude of the produce, in other words, the productive power of labor; and secondly, the proportion of that produce obtained by the laborers themselves; the ratio which the remuneration of the laborers bears to the amount they produce. These two things form the data for determining the gross amount divided as profit among all the capitalists of the country; but the rate of profit, the per centage on the capital, depends only on the second of the two elements, the laborers' proportional share, and not on the amount to be shared.

Thus it appears that there can be no such thing as a competition of capital. There may be a competition of money, as no one denies; but it is a misnomer to say there is a competition of capital.

When the increase of population forces an increase in the prices of food and raw material, the nominal wages of labor have to be increased also; so that the laborers may obtain the requisite quantity of the necessaries of life. This increase of wages necessarily takes place in all employments, and being taken out of a less proportionate amount of production, it must decrease the rate of profit. Rents rise also, as a consequence of the

increased price of food, and the excess of former profit goes into the pocket of the land owner in the shape of rent. These circumstances decrease the the rate of profit, and therefore the rate of interest.

With respect to the low rate of interest in England, Holland and France, that can be satisfactorily accounted for without assuming it to arise from the accumulation of capital.

England imports from foreign countries probably half her consumption of necessaries, and that is, according to the principles laid down, quite sufficient to account for a very low rate of profit. Yet about eighteen months since the rate of interest on discounts at the bank was ten per cent.

The rate of interest generally rules higher in France than in England; but that can also be accounted foı without assuming that there is a less proportionate amount of capital in that country than in England. In France a large proportion of the taxes are raised from the land; perhaps fifty per cent; while in England, exclusive of the poors rate, one and a half or two per cent is all which the land contributes. This state of things in France must be favorable to the rate of profit on circulating capital. As, although taxes on land, according to valuation, might to some extent retard cultivation, yet it would prevent the decrease in the rate of profit upon circulating capital. The case of Holland is different.

Hitherto we have said little or nothing upon the effects of taxation, though it is obvious when laid upon the necessaries of life that it must reduce the rate of profit, exactly in the same manner as a decrease of fertility in the soil forced into cultivation by the increase of prices. With respect to Holland, McCulloch observes:

"The oppressive weight of taxation has been the principal cause of the lowness of profits in the United Provinces during the last two centuries, and the decline of their manufacturing and commercial prosperity. Not withstanding the severe and laudable economy of her rulers, the vast expense incurred by the Republic in her revolutionary struggle with Spain, and her subsequent contests with France and England, led to the contraction of an immense public debt, the interest and other necessary charges on which obliged her to lay heavy taxes on the most indispensable necessaries. Among others, high duties were laid upon foreign corn when imported, on flour and meal when ground at the mill, and on bread when it came from the oven. Taxation affected all the sources of national wealth; and so oppressive did it ultimately become, that it was a common saying at Amsterdam, that every dish of fish brought to table had been once paid to the fisherman and six times to the state. Wages being necessarily raised, so as to enable the laborer to subsist, the weight of these enormous taxes fell almost wholly upon the capitalist."

This state of things in Holland, as shown by McCulloch, is quite suffi-

cient to account for the low rate of profit. It was the expense of subsisting the laborer, and not the competition or accumulation of capital the same cause that everywhere else depresses the rate of profit.

The mistake of those who think that money is capital, and that land is not, arises from a superficial view of the subject; they seem to think that profit arises out of the process of buying and selling; whereas, it is solely the product of land and labor.

J. S. R. says: "Land is not capital unless cultivated, and then only to the extent of its exchangeable value, after deducting the debts of its nominal owner."

All I have to say to this proposition is, that there seems to be very little difference between land and other kinds of wealth in this particular, as Mill lays it down, that the difference between capital and wealth is merely in the mode of consumption. The one is consumed in reproduction, while the other is consumed unproductively. Thus there is not much difference between land entirely unused and uncultivated, and any other kind of wealth, uselessly consumed.

With respect to land being capital only to the extent of its exchangeable value, it is exactly in the same position as other things; it is presumed that under ordinary circumstances its exchangeable value is its true value; but what the debts of its nominal owner can have to do with the extent, or the degree of its being capital, verily I do not understand.

"But," says J. S. R., "it is precisely capital which the West needs at present, not land, not paper, not credit." No doubt this is true; it is not paper, nor credit, which the West needs; they have both been tried and found wanting. What the West needs, as well as the East, is to make every man earn his own capital before he expends it or trades with it. There are too many merchants and jobbers who ought to be producers; and too many consumers who do not compensate the community for what they eat, think and wear. And notwithstanding the assumption of Mr. Carroll and J. S. R. that the West needs capital, there is more capital around the city of Chicago, and within reach of her water privileges, than almost any other city of the Union, or she would not have sprung up, like Jonah's gourd, as it were, in a night. But unfortunately extreme prosperity begets extravagance, and a mania to get rich at once, instead of in the old patient, plodding manner. This is the evil, but there is no help for it, except work, economy and patience.

J. S. R. objects to the proposition that "money is neither wealth nor capital, but merely a convenience, &c. And says the same might be "said of the plow, the railway, the elevator." Yet there is a difference between money and these other conveniences. The one saves time only, and the other makes labor more productive. The difference is one of principle;

but the effect is, to some extent, the same; that is up to a certain point. But the redundancy of plows, railways, &c., would affect nobody's interest but that of the owners; while a redundancy of money would affect the interest of the whole community; but instead of assisting production the expense of the addition would have to be paid for out of the proceeds of labor and capital; therefore, we might as well assume that a tax would make an addition to our wealth.

Individuals no doubt are right in regarding money as wealth, because it can be exchanged for any other commodity, but it is not wealth, nor capital to the community. Mill holds such a proposition to be preposterous.

He says: "It often happens that the universal belief of one age of mankind, a belief from which no one was, nor without an extraordinary effort of genius and courage could at that time be free, becomes to a subsequent age so palpable an absurdity, that the only difficulty then, is how such a thing can ever have appeared credible. It has so happened with the doctrine that money is synonymous with wealth. The conceit seems too preposterous to be thought of as a serious opinion," &c.

I have no more to say upon this part of the subject, as Mr. Mill's testimony is conclusive, though I may say that I held the same opinion long before I had read his "Principles of Political Economy," and I believe before his book was either printed or published. We pass now to the next proposition.

J. S. R. is of opinion "that it is not correct to say with Mr. Sully that a low rate of interest is always the predisposing cause of exportation." Now let me remind J. S. R. that this was not a general proposition, but had reference to Europe only. It was written in answer to Mr. Carroll's assumption "that money runs away from a high rate of interest all the world over." The words are, with the contest, as follows: "In Europe, under such circumstances, we see exactly the same phenomenon of the exportation of the metals from the countries where the rate of interest is comparatively low, to countries where the rate is comparatively high, and it is always this comparatively low rate of interest, which is the predisposing cause, &c." Now this is quite a different proposition, and bears quite a different meaning to that which J. S. R. has put upon it. He goes on to say: "the cause of exportation is simply indebtedness." But this is evidently putting the effect for the cause. The cause of the indebtedness was the cheapness of money in one country. There was no more goods imported than would have been balanced by the exports; but the prices being higher in one country than another, money must be exported to pay the balance.

Says J. S. R., "It is by no means clear that this steady increase and

constant depreciation of the currency does only harm;" and speaks of the "constant drain going on towards the East," as a necessity of the trade and industry of "the vast regions still open to civilization," and supposes, that "much larger amounts may be called for than are at present in use." Of course, as long as the West is willing to give, there will be no cessation to this demand. Money is exported through its depreciation; but why should the West find currency gratuitously for the East through the unnecessary regulation of the *standard* of value. And as a plea for the continuance of this state of things we are asked to "consider the vast amount of the national debts, the burdens of which will thus be materially lightened, and for this reason J. S. R. thinks we need not greatly regret the slow and gradual decline of our standard of value," causing as he says, "no individual suffering, but giving great aggregate relief to the taxpayer and a stimulus to industry."

Now, all this seems very plausible, and even philanthropic on the part of J. S. R. if it were only true; but, unfortunately, it is neither true nor honest, and we have still to learn that honesty is *not* the best policy for nations, as well as individuals.

Had we not better honestly pay our debts than to be giving our money or labor away, which is the same thing. And does J. S. R. really believe that no individual suffering is caused, by constantly diminishing fixed incomes, which are chiefly derived from permanent investments in the debts of various nations.

With respect to the stimulation of industry, that idea is utterly exploded. A constant increase of currency, even of gold and silver, can do nothing more than cause fluctuations in the demand for labor. Sometimes there may be a little feverish excitement, through the increase of price, but as *consumption* is thereby retarded, it always ends in an accumulation of stocks, and a lack in the demand for labor, causing trade to become a lottery, and producing all kinds of fraud and bankruptcy. But our opponent seems to think that this production of gold may ultimately stop without any change or interference with the standard of value, and no doubt it may; but it may also be a long time first, perhaps another century. In the mean time, is there any good reason why the United States should bear the tax of the export of gold?

But we are told that if we should abolish the standard of value we should be compelled to resume it; "that we could no more do without it than without a measure of length or capacity." But this is certainly a mistake, as a measure of value and a standard of value are two distinct things. If the standard *only* was abolished the measure would remain. The standard might be abolished to-morrow, and if the newspapers did not publish the fact, very few people would know anything about it; per-

haps the gold miners, bankers, brokers, and merchants, values would remain exactly as they were before, bearing the same relation to each other. Suppose two commodities to be offered for sale, the one being produced at half the cost of labor, or difficulty of attainment as the other, say, at present, one would be charged half a dollar and the other a dollar. Well, the nominal dollar with its hundred parts, or cents, would measure it just the same as before; they would bear the same relation to each other, and the same price. The only difference in the case would be, that gold and silver would have a price, and as I have said before, have to be paid according to price and weight. Therefore the measure of value would be as accurate and as stable as before; but in future, all countries that imported gold and silver would have to pay for it by their own labor, and not get it gratuitously as many of them do at present.

It is very easy to assume, with our opponent, that, "ever since Abraham weighed to Ephron, the Hittite, four hundred shekels of silver, current money with the merchant, that the precious metals have been to a greater or less extent the measure and standard of value;" but not quite so easy to prove it.

There was no doubt some criterion by which values were computed; but there could be no standard, according to *difficulty* of production, for probably two thousand years after that; sheep and oxen were the criterions by which values were at that time estimated. There were no coins in the world, the shekel was only a weight, representing, no doubt, as much silver as by the arbitrary dictum of the times was considered equal to the utility of a lamb; as *pieces* of silver and *lambs* of silver were synonymous terms, as before stated.*

In our last, we assumed that: "All honest people, if they were intelligent, would vote for the abolition of bank currency, as well as the credit system; and all other modes of unduly increasing money." But J. S. R. objects to this, and assumes that the evils arising from the system might be restrained within safe bounds." This, however, seems to me to be impossible. The system is so general, so extensive, that it viciates the whole volume of trade and commerce; and however prudent, no individual can thoroughly protect himself from its *costly* and evil influence.

When we take into consideration the greater expense of doing business, the immense amount of interest money paid to the banks, and their immense profits; the frauds, the bankruptcies, the vice, the crime, the general imprudence and demoralization which the system engenders among the people, the monetary panics, the losses from the involuntary idleness of the people, at intervals, of longer or shorter duration, according

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* For further explanation upon this point, see Article, "History and Principles of Money," vol. 49 of this Magazine.

to the extent of the derangement of commerce, &c., and when we remember that *those who pay*, pay for the whole of this waste and loss, verily we cannot help repeating, that, were the people honest and intelligent, they would vote to abolish the whole system. Of course we could not, nor do we wish to prevent private individuals from disposing of their property on any terms they choose; but we could prevent, if the people understood the matter, banks from issuing their *promises to pay* as money, and discounting their deposits on demand; and we could tax them, so that the whole business would be less profitable—"the public good is the supreme law."

We pass now to a very ingenious paragraph, apparently constructed, rather in the hope of throwing dust into the eyes of the reader, than with any expectation of successfully combatting the argument it is intended to oppose.

Mr. J. S. R. says: "Mr. Sully's argument, that gold cannot be capital because its exchangeable value depreciates in the ratio of its addition (even if this fact could be proved), applies at least in part to wheat, corn, houses, ships, or any other form of wealth." Now this is not true as a principle; J. S. R. has not allowed for the exceptional circumstances under which our system of commerce operates upon production and consumption. As a general thing, what may be termed capital, never depreciates; much less in the ratio of its addition. There may be exceptional cases, however, under our present fluctuating monetary and banking systems; but the articles or commodities in question never do depreciate, under ordinary circumstances. First, because they are all either articles of necessity or consumption; and secondly, because the cost of raw material, and therefore labor, has a tendency to rise constantly. Some kinds of wealth may depreciate, in exchangeable value, but wheat, corn, houses and ships, do not belong to that category. These things would never be in excess, unless consumption were retarded by an increase of price, or a sudden failure of demand through a monetary crisis. The case of gold and silver is quite different, as they are not articles of daily or *necessarily* consumption, their indefinite increase makes no addition to wealth or capital. But says our opponent: "If gold is not wealth, how comes it that a *greenback* is much cheaper? Cheaper than that which possesses no value?" Now this is merely a quibble, and is taking up time and space to no purpose. Although gold is not wealth to the community, seeing that it makes no addition to meat, drink, clothing or shelter, it is wealth to the individual, as before intimated. But as it is the fixed standard of value, and legal tender for debts, society is forced to purchase any amount which may be presented to it, and even at a price beyond the cost of production. It thus receives a conventional and

fictitious value, which J. S. R. will admit, upon second consideration, considerably exceeds that of a *greenback*. Ergo, it would be much cheaper for society to furnish a currency of *greenbacks*, than to maintain one of gold.

J. S. R. objects to the assumption of Mill, "that the demand for money is limited only by the means of the purchaser," because capitalists may be seeking for investments, and may be willing to loan their money instead of demanding some other commodity immediately in return for it. And he further says: "the mass of the people want money because it commands everything else, and this demand has no limit." J. S. R. seems to have mistaken what constitutes *a demand* for money. A *desire* for money, and a *demand* for money, are entirely separate matters. Mr. Mill says upon this point: "The demand for money again consists of all the goods offered for sale. Every seller of goods is a buyer of money, and the goods he brings with him constitutes his demand."

A person having *no* goods to sell, may have a desire for money, because, "it would command all other things;" but to assume that such a person had any demand upon the market for money would be ridiculous. If people choose to loan money, that is an affair between the borrower and the lender. If the money have been previously obtained by production, society is neither injured nor benefitted.

For one thing Mr. J. S. R. gives Mr. Mill credit, that is, for having stated correctly the tendency of *credit* to advance prices; but he says, "*we cannot admit* that all credit accelerates consumption without demanding in return an equivalent production, or that it necessarily raises prices above their true level."

Now, we cannot help what J. S. R. chooses to admit, and what he chooses not to admit, but we hope to be excused for saying that we do not know of any one who has made such an assertion, "that all credit accelerates consumption without demanding in return an equivalent production." The language used is, Whatever accelerates consumption, &c., which certainly bears quite a different meaning, and, I think, cannot easily be controverted. I must now beg leave to quote Mr. Mill once more, against the conclusion "that credit does not necessarily raise prices above their true level."

Mr. Mill says: "In a state of commerce in which much credit is habitually given *general prices* at any moment depend *much* more upon the state of credit than upon the quantity of money. For credit, though it is not a *producing* power, is a purchasing power, and a person who having credit avails himself of it in the purchase of goods, creates just as much demand for the goods, and tends quite as much to raise their price as if he made an equal amount of purchases with ready money."

Now we have endeavored to answer, either by our own reasoning, or quotation from others, all the objections raised against our former article by J. S. R., and hope we have succeeded; but if unfortunately we have not satisfied him, and he should again favor us with his notice, we have only to ask of him, that he will condescend to quote us fairly, and not transpose our sentences to make them mean what they were not intended to mean; and then perhaps he may discover that they are not so very much opposed to truth after all. RICHARD SULLEY.

TRADE OF GREAT BRITAIN WITH THE UNITED STATES.

We teke the following from a late little to the COMMERCIAL AND FINANCIAL CHRONICLE from its London Correspondent:

It is satisfactory, to observe that in some branches our trade with the United States for the month of August, exhibits an improvement as compared with last year. In that month, for instance, the shipments of linen piece goods amounted to 9,194,496 yards, against 8,574,910 yards; of linen thread to 142,1[illegible]6 lb., against 135,527 lb.; of carpets and druggets to 375,126 yards, against 355,782 yards; and of worsted stuffs to 10,455,810 yards, against 9,840,367 yards in August last year. The following statement shows the exports of the principal des riptions of cotton, silk, and woolen goods to the United States and to France during the first eight months of the present and last two years:

TO THE UNITED STATES.

		1866.	1867.	1868.
Cotton piece goods	yds.	87,558,274	70,000,205	58,418,[illegible]
Cotton thread	lbs.	1,018,202	980,274	1,123,697
Linen piece goods	yds.	77,995,621	60,258,307	54,512,005
Linen thread	lbs.	1,450,422	968,265	837,184
Silk piece goods	yds.	485,367	277,257	253,963
Woolen cloth	yds.	4,199,305	2,851,158	2,096,396
Carpets and druggets	yds.	3,145,690	2,979,063	2,257,847
Worsted stuffs	yds.	57,277,536	37,080,082	51,008,956
Total		233,058,357	175,894,611	170,508,931

TO FRANCE.

Cotton yarn	lbs.	2,541,294	3,208,364	2,402,506
Cotton piece goods	yds.	33,016,722	20,719,980	21,726,308
Cotton thread	lbs.	91,144	46,467	84,999
Linen yarn	lbs.	1,522,055	2,566,660	1,799,528
Linen piece goods	yds.	2,573,791	3,385,642	2,352,[illegible]
Woolen yarn	lbs.	1,359,950	2,002,415	6,668,[illegible]
Woolen cloth	yds.	2,686,606	5,082,893	1,229,[illegible]
Carpets and druggets	yds.	509,410	304,747	599,[illegible]
Worsted stuffs	yds.	17,672,312	14,036,742	10,674,[illegible]
Total		61,973,284	51,413,910	46,539,176

According to the official returns, the imports of wheat into the United Kingdom in August amounted to 2,012,374 cwt., being 1,125,095 cwt. less than in August last year, in which month they reached a total of 3,287,469 cwt. From Russia, there is a reduction of about 735,000 cwt.; from Prussia, of 292,000 cwt.; from Egypt, of 20,000 cwt.; from the United States, of 158,500 cwt., and from Chili, of 27,250 cwt. In the eight months ending with August 31, the imports were 22,710,165 cwt., against 21,031,647 cwt. in the corresponding period in 1867, and 15,529,299 cwt. in 1866. From the United States and Egypt, the receipts were as much as 5,000,000 cwt. greater than in 1867, while those from the Danubian provinces show an augmentation of 1,573,971 cwt. On the other hand, however, Russia and Prussia exhibit a considerable decline, the diminution in the importation from those two countries being 3,792,759 cwt. The following statement shows the quantities of wheat and flour

received from each principal wheat growing country in the first eight months of the present and last two years:

WHEAT.

	1866.	1867.	1868.
Russia.........cwts.	4,610,396	8,045,857	6,214,731
Prussia	2,898,506	4,474,338	2,512,805
France	3,305,024	581,976	14,424
Illyria, Crotia and Dalmatia	1,250,828	297,916	799,902
Turkey, Moldavia, and Wallachia	329,738	1,694,506	2,676,491
Egypt	11,769	422,203	2,726,372
United States	345,750	1,738,945	4,529,266
Chili	44,253	1,615,904	990,116
British North America	8,789	3,132	272,396
Total, including other countries	15,529,299	21,031,647	22,719,165

FLOUR.

	1866.	1867.	1868.
France.........cwts.	3,078,740	1,071,394	256,778
United States	193,051	208,704	469,508
British North America	15,818	23,838	101,111
Total, including other countries	3,637,648	2,267,532	1,824,378

The Board of Trade returns for August, and the eight months ending August 31, have been issued to-day. They show unfavorable results as regards our trade, the declared value of our exports being considerably less than in 1867 and in 1866. In August, the declared value of our principal exports of British and Irish produce and manufactures was £16,427,597, being a diminution of £1,453,402 as compared with the corresponding month last year. As compared with each of the seven previous months of the year, a decided improvement is shown, but, at the same time, the increase in the exports in August over July in the current year is by no means in an equal ratio with 1867 and 1866. This year, the increase amounts to only £679,328, but in 1867, was £2,318,569, and in 1866 £2,492,322. In the eight months ending with August 31, the shipments of British and Irish produce and manufactures were valued at £116,777,023 against £121,056,913 in 1867, and £125,265,820 in 1866. The computed real value of our principal imports in July was £21,487,6[illegible]2 against £19,215,843 last year, and £10,641,564 in 1866. In the seven months ending with July 31, it amounted to £132,283,806 against £128,935,000 in 1867, and £143,544,759 in 1866.

As regards the imports of cotton, the principal feature in the monthly statement is the heavy falling off in the receipts from the United States, the total in August last year being as much as 267,291 cwt., while in the current year it amounts to only 87,751 cwt. In the eight months, however, the imports direct of American cotton have been 4,345,188 cwt., being an increase of 40[illegible],105 cwt., as compared with last year. The imports of Brazilian cotton have increased from 25,509 cwt. in August 1867 to 85,422 cwt. in August this year, but the imports of Egyptian cotton have declined from 66,996 cwt. to 37,374 cwt., and of East India from 611,682 cwt. to 509,851 cwt. The following were the imports of cotton into the United Kingdom in the eight months ending with August 31:

IMPORTS OF COTTON.

From—	1866. cwt.	1867. cwt.	1868. cwt.
United States	3,834,000	3,940,083	4,345,188
Bahamas and Bermudas	6,413	10,349	368
Mexico	3,145	22	....
Brazil	495,883	467,007	627,599
Turkey	83,930	55,832	30,462
Egypt	735,460	831,675	820,647
British India	3,439,087	1,869,451	1,532,743
China	17,949	4,707	......
Other countries	193,734	195,054	143,214
Total	8,809,601	7,391,680	7,508,221

The exports of cotton in August were 294,339 cwt. against 288,629 cwt. last year, and 403,214 cwt. in 1866. In the eight months they were as follows:

EXPORTS OF COTTON.

To—	1866, cwt.	1867, cwt.	1868, cwt.
Russia	248,235	293,735	188,017
Prussia	42,089	145,786	77,018
Hanover	5,618	3,514	1,671
Hanse Towns	516,477	459,132	387,758
Holland	347,865	345,365	357,792
Other countries	1,127,323	770,656	614,288
Total	2,287,607	2,018,188	1,626,544

The following were the exports of cotton goods in August, and in the eight months:

IN AUGUST.

		1866.	1867.	1868.
Yarn	lbs.	12,969,240	15,365,614	14,494,338
Piece goods	yds.	254,199,702	260,122,829	275,283,838
Thread	lbs.	573,406	596,075	478,624

IN EIGHT MONTHS.

		1866.	1867.	1868.
Yarn	lbs.	86,290,076	105,718,155	114,202,513
Piece goods	yds.	1,666,584,984	1,789,176,406	1,900,260,705
Thread	lbs.	4,088,193	4,303,841	4,222,926

Annexed is a statement showing the declared value of the cotton goods exported in August, and in the eight months ending with August 31:

IN AUGUST.

	1866.	1867.	1868.
Yarn	£1,167,827	£1,375,173	£1,173,292
Piece goods	5,312,601	4,904,937	4,705,809
Thread	90,527	102,381	79,284

IN EIGHT MONTHS.

	1866.	1867.	1868.
Yarn	8,744,912	9,789,042	9,846,037
Piece goods	38,828,003	35,312,184	32,268,723
Thread	683,547	751,840	707,450

So far as the United States are concerned, the declared value of our exports of British and Irish produce and manufactures in the seven months were:

	1866.	1867.	1868.
Ports on Atlantic—Northern	£16,268,977	£12,462,678	£11,512,924
" " —Southern	643,820	774,285	607,257
Ports on Pacific	426,142	490,816	364,467
Total	17,338,939	13,727,779	12,484,648

The following were the chief shipments of British and Irish produce and manufactures to the United States during the eight months ending with August 31:

	1866.	1867.	1868.
Alkali, cwt	1,131,755	947,932	1,062,600
Beer & ale, bbls	9,687	12,783	13,469
Coals, tons	101,728	87,496	76,879
COTTON MANUFACTURES:			
Piece goods, yds	87,558,274	70,010,205	58,418,883
Thread, lb	1,018,202	980,274	1,123,697
Earthenware and Porcelain pkgs	79,057	71,570	62,887
Haberdashery and Millinery	929,090	714,384	579,195
HARDWARE AND CUTLERY:			
Knives, forks, &c., value	£190,773	£ 59,231	£108,315
Anvils, vices, saws, &c., value	68,827	66,070	57,221
Manufactures of German silver, value	461,207	333,087	237,019
LINEN MANUFACTURES:			
Piece goods, yds	77,995,621	60,258,307	54,512,005
Thread	1,450,422	968,265	837,184
METALS—			
Iron—Pig, &c., tons	56,536	82,172	48,392
Bar, &c., tons	39,956	29,515	24,535
Railroad, tons	62,806	125,551	188,733
Castings, tons	966	1,027	955

Hoops, sheets and boiler plates, tons	18,766	21,761	9,960
Wrought, tons	7,231	5,057	2,6:5
Steel Unwrought, tons	13,172	13,098	9,522
Copper, wrought, cwts	6,881	3,457	1,319
Lead, pig, &c., tons	4,591	4,564	5,060
Tin plates, cwts	771,765	723,975	898,273
Oil seed, galls	1,283,438	1,273,418	159,629
Salt, tons	114,516	97,308	96,511
SILK MANUFACTURES—			
Broad piece goods, &c., yards	485,367	277,257	253,963
Handkerchiefs, dozens	5,518	2,393	1,189
Ribbons, lbs	21,952	13,857	9,456
Other articles of silk (value)	£84,214	34,647	96,259
Silk manuf's mixed with other materials	£5-,782	58,360	57,194
Spirits, British, galls	82,865	54,714	79,612
Wool, lbs	124,640	8,904	87,172
WOOLEN AND WORSTED MANUFACTURES—			
Cloth, yards	4,119,305	2,851,158	2,096,396
Carpets and druggets, yards	3,145,630	2,979,063	2,257,847
Shawls, rugs, &c., number	114,047	99,135	69,674
Worsted stuffs and waistcoatings, yards	57,277,536	37,080,082	51,008,956

HARTFORD AND NEW HAVEN RAILROAD.

The earnings and expenses of this road for the years ending August 31, 1867 and 1868, were as follows :

Earnings	1867.	1868.
From Passengers	$911 536 18	$891,091 20
From freight	625,982 72	632,454 66
From expresses	114,007 61	114,709 50
From mails	....	55,627 28
From rents, &c	3,798 08	3,452 35
Total	$1,685,334 59	$1,697,334 39
Total expenses	$982,518 90	$1,024,935 08
Net earnings	702,815 69	672,399 31
Interest and taxes	158,818 80	190,808 50
Balance	543,996 89	$481,590 81

Compared with the previous year the gross earnings of 1867–68, show an increase of $11,999 80, with an increase in operating expenses of $42,416 18, making the decrease in net earnings, $30,416 38. The balance remaining after the payment of interest and taxes is less than that of the preceding year by $62,406 08.

The income of the company from all sources during the year was as follows :

Cash on hand, Sept. 1, 1867	$166,963 06
Earnings of the road	1,697,334 39
Sales of real estate	6,367 44
Total	$1,870,664 89

Thus accounted for:

Dividends	$422,566 00
Interest	57,5?6 51
Operating and repairing road	1,008,829 24
Tomlinson Bridge Company, for depot grounds, New Haven	49,332 30
Steamboat Orient	3,445 36
Real estate in Connecticut	4,975 10
Balance debts due the company	20,134 52
State and national taxes	133,281 99
Cash	170,573 87
Total as above	$1,870,664 89

CALIFORNIA TREASURE MOVEMENTS FOR NINE MONTHS.

We have received from Thomas P. Kettell the following statement of the treasure movement at California for nine months:

The imports of treasure (exclusive of those from Victoria, which are included in the receipts from coastwise ports) for the nine months ending September 30, 1867, and 1868, respectively, were as follows:

	1867.	1868.
Japan	$........	$4,164 00
Mexico	1,565,113 ?3	1,627,721 50
Panama	67,244 25	800 00
Sandwich Islands	30,447 91	4,400 00
Society Islands	2,500 00	....
Totals	$1,665,305 69	$1,636,635 56
Decrease, 1868		28,670 19

The receipts of treasure and bullion from coastwise ports and Victoria (V. I.) for nine months ending September 30, 1867 and 1868, respectively, were as follows:

	1867.	1868.
Uncoined	$4,150,340	$1,735,654
Coined	329,216	668,762
Totals	$4,479,556	$2,414,416
Decrease, 1868		$2,065,149

The following is a comparative statement of the bullion and treasure received during nine months ending September 30, 1867 and 1868, respectively, from our own and Nevada State:

	Uncoined.	Coined.	Totals.
1867.			
Northern Mines	$29,528,876	$2,444,998	$31,973,874
Southern Mines	2,328,834	959,519	3,288,353
Totals	$31,857,710	$3,404,517	$35,262,227
1868.			
Northern Mines	$27,362,923	$3,199,111	$30,562,634
Southern Mines	2,220,639	1,236,080	3,456,719
Totals	$29,583,562	$4,435,191	$34,018,753
Decrease, 1868			$1,243,474

The following is a recapitulation of the foregoing statement:

	1867.	1868.
Imports	$1,665,306	$1,636,636
Coastwise receipts	4,479,556	2,414,416
Interior	35,262,227	34,018,753
Totals	$41,407,089	$38,069,805
Decrease, 1868		$3,337,284

The exports of treasure for the nine months ending September 30, 1868, and the same compared with a like period of 1867, were as follows:

To—	1867.	1868.
China	$7,153,465 07	$3,978,009 65
Chile	723,450 97	... .
Central American ports	531,044 55	583,200 00
England	4,426,431 31	4,639,459 90
France	1,453,659 76	941,553 47
Japan	53,969 18	352,459 46
Mexico	26,000 00	8,000 00
New York	17,311,315 77	18,460,421 30
Sandwich Islands	8,300 00	50,000 00
Society Islands	500 00	....
Vancouver Island	50,000 00	95,000 00
Total	$31,738,136 61	$29,058,103 78
Add duties	5 993,704 00	6,560,729 95
	$37,731,840 61	$35,618,833 73
Decrease 1868		$2,113,006 88

CONSUMPTION, &c., OF COTTON IN EUROPE.

M. Ott-Trumpler, of Zurich, has issued an interesting circular respecting the cotton movements of the last season, of which the following are the chief particulars, the figures represent thousands of bales:

	American.	Indian.	Brazil.	Egypt.	Sundry.	Total
ENGLAND.						
Stock in the ports, Oct. 1, 1867	244	466	127	35	39	911
Import during the season	1,228	1,190	589	175	116	3,298
Total	1,472	1,656	716	210	155	4,209
Export to the Continent	162	597	81	9	25	874
	1,310	1,059	635	201	130	3,335
Total in the ports, September 30	113	260	102	19	19	513
Consumption	1,197	799	533	182	111	2,822
CONTINENT.						
Stock, Oct. 1, 1867, at Havre, Marseilles, Bordeaux, Nantes, Antwerp, Amsterdam, Rotterdam, Bremen, Hamburg, Trieste and Genoa	53	52	21	4	51	181
Imports direct from countries of production at above-named ports	348	122	86	58	225	839
Export from England to the Continent, deduction being made for 11,000 bales re-exported from Continent to England	158	592	81	9	23	863
Total	559	766	188	71	299	1,883
Stock, Sep. 30 at the above named ports	21	43	13	2	22	101
Consumption	538	723	175	69	277	1,782
ENGLISH CONSUMPTION.						
1867-68	1,197	799	533	182	111	2,822
1866-67	1,016	815	298	160	125	2,414
1865-66	846	878	259	186	150	2,319
1864-65	187	850	203	285	348	1,873
1863-64	178	620	134	219	414	1,565
1862-63	99	905	111	163	54	1,332
1861-62	304	675	101	122	15	1,217
1860-61	2,170	249		193		2,612
1859-60	2,135	207		218		2,560
CONSUMPTION OF CONTINENT.						
1867-68	538	723	175	69	277	1,782
1866-67	532	777	152	55	217	1,733
1865-66	391	755	164	69	237	1,616
1864-65	49	637	121	89	286	1,182
1863-64	64	543	74	106	246	1,033
1862-63	34	559	49	64	108	814
1861-62	258	415	21	42	40	776
1860-61	1,273	425		78		1,776
1859-60	1,272	385		55		1,712
CONSUMPTION OF EUROPE.						
1867-68	1,735	1,522	708	251	388	4,604
1866-67	1,548	1,592	450	215	342	4,147
1865-66	1,237	1,633	423	255	387	3,935
1864-65	236	1,487	324	374	634	3,055
1863-64	242	1,163	208	325	660	2,598
1862-63	133	1,461	160	227	162	2,146
1861-62	562	1,090	122	164	55	1,993
1860-61	3,443	674		271		4,388
1859-60	3,407	592		273		4,272

STOCK IN ENGLAND, SEPT. 30,

1868	513	1866	945	1864	490	1862	329	1860	954
1867	911	1865	304	1863	217	1861	779		

The following figures show the imports and consumption in Europe in each of the last seven seasons;

	Stocks in Europe Oct. 1.	Imports— American.	Other countries.	Total.	Stocks close of season.	Consumption— Total.	Engl'd.	Cont't.
1861-2	1,019	14	1,364	2,427	368	1,993	1,217	776
1862-3	368	121	1,947	2,436	250	2,146	1,332	814
1863-4	250	215	2,716	3,181	563	2,588	1,565	1,033
1864-5	563	250	2,602	3,415	357	3,055	1,873	1,186
1865-6	357	1,565	3,166	5,078	1,143	3,935	2,319	1,616
1866-7	1,143	1,495	2,601	5 239	1,092	2,092	2.414	1,733
1867-8	1,092	1,572	2,554	5,218	614	614	2,822	1,782

PUBLIC DEBT OF THE UNITED STATES.

Abstract statement, as appears from the books and Treasurer's returns in the Treasury Department, on the 1st of October and 1st of November, 1868:

DEBT BEARING COIN INTEREST.

	October 1.	November 1.	Increase.	Decrease.
5 per cent. bonds	$221,588,400 00	$221,588,400 00	$	$ ....
6 " 1881	283,677,300 00	283,677,300 00	....	....
6 " (5-20's)	1,594,888,600 00	1,602,312,250 00	7,423,650 00	....
Total	2,100,154,300 00	2,107,577,950 00	7,423,650 00	....

DEBT BEARING CURRENCY INTEREST.

6 per ct. (RR.) bonds	$39,634,000 00	$42,194,000 00	$2,560,000 00	$.....
3-y'ars com. int. n'tes	5,251,930 00	....	....	5,251,930 00
3 p. cent. certificates	65 230,000 00	58,325,000 00	....	6,905,000 00
Navy Pen. F'd 3 p.c.	13,000,000 00	14,000,000 00	1,000,000 00	....
Total	123,115,930 00	114,519,000 00	....	$8,596,930 00

MATURED DEBT NOT PRESENTED FOR PAYMENT.

7-30 n. due Aug. 15, '67, J'e & J'y 15, '68	$3,537,000 00	$2,956,950 00	$..........	$580,050 00
6 p. c. comp. int. n'es	6,322,070 00	5,128,310 00	....	1,193,760 00
B'ds of Texas ind'ty	256,000 00	256,000 00	....	....
Treasury notes (old)	154,111 64	151,611 64	....	2,500 00
B'ds of Apr. 15, 1842, Jan. 28, 1847 & Mar. 31, 1848	967,650 00	487,500 00	....	480,150 00
Treas. n s of Ma. 3, 63	445,492 00	445,492 00	....	....
Temporary loan	744,920 00	314,860 00	....	430,060 00
Certifi. of indebt'ess	13,000 00	13,000 00	....	....
Total	12,440,243 64	9,753,723 64	$..........	$2,686,520 00

DEBT BEARING NO INTEREST.

United States notes	$356,021,073 00	$356,021,073 00	$........	$........
Fractional currency	32,923,614 17	33,413,985 42	480,371 25	....
Gold certi. of deposit	20,236,400 00	19,716,840 00	....	519,560 00
Total	409,191,087 17	409,151,898 42	....	$39,188 75

RECAPITULATION.

	$	$	$	$
Bearing coin interest	2,100,154,300 00	2,107,577,950 00	7,423,650 00	....
Bearing cur'y interest	123,115,930 00	114,519,000 00	....	8,596,930 00
Matured debt	12,440,243 64	9,753,723 64	....	2,686,520 00
Bearing no interest	409,191,087 17	409,151,898 42	....	39,188 75
Aggregate	2,644,901,560 81	2,641,002,572 06	....	3,898,988 75
Coin & cur. in Treas	110,257,841 86	113,873,019 24	3,615,177 38	....
Debt less coin and cur	2,534,643,718 95	2,527,129,552 82	....	7,514,166 13

The following statement shows the amount of coin and currency separately at the dates in the foregoing table:

COIN AND CURRENCY IN TREASURY.

Coin	$96,891,847 10	$103,407,985 77	$6,516,138 67	$.........
Currency	13,365,994 76	10,465,033 47	....	2,900,961 29
Total coin & curre'y	110,257,841 86	113,873,019 24	3,615,177 38	....

The annual interest payable on the debt, as existing October 1, and November 1, 1868, exclusive of interest on the compound interest notes), compares as follows:

ANNUAL INTEREST PAYABLE ON PUBLIC DEBT.

	October 1.	November 1.	Increase.	Decrease.
Coin—5 per cents	$11,079,420 00	$11,079,420 00	$	$.......
" 6 " 1881	17,020,638 00	17,020,638 00	....	....
" 6 " (5-20's)	95,693,316 00	96,138,735 00	445,419 00	....
Total coin interest	$123,793,374 00	$124,238,793 00	$445,419 00	$.......
Currency—6 per cents	$2,378,040 00	$2,531,640 00	153,600 00	....
" 3 "	2,346,900 00	2,169,750 00	....	177,150 00
Total currency inter't	$4,724,940 00	$4,701,390 00	$.......	$23,550 00

NEW YORK, PROVIDENCE AND BOSTON RAILROAD COMPANY.

The annual report of this company for the year ending August 31, 1868, shows the following general balance sheet of receipts and expenditures for the year:

DEBTOR.			CREDITOR.	
To balance, as per last annual report, to wit:			By expenditures for the year	361,017 46
Stoningt'n steamboat Co.	$113 43		Interest on bonds paid	36,655 00
Bills receivable	2,000 00		Interest on floating debt	21,129 39
Bonds due 1878	20,000 00		Expenses extraordinary	7,032 50
Due from c'nnecting r'ads	3,652 81		Fire damage	13,933 03
Balance in hand	77,174 67		Stock Stoningt'n Stea'b't Co	518,650 00
		102,940 91	Bills of August, 1867	18,564 88
Receipts for year		463,464 92	Paid M. Morgan's Sons' balance	2,072 98
Stockholders' issue, 1867		132,800 00	Balance carried to new account, to wit:	
Bills payable, represented by steamboat stock		405,000 00	M. Morgan's Sons	2,738 80
Stonington Bank collateral account		3,045 60	Due from connecting roads	12,513 58
			A. S. Mathews, Sup't	5,218 11
		1,107,251 43	Bills receivable	2,000 00
			Due from Ira H. Palmer, and in Stonington Bank	85,683 43
			Stonington Steamboat Co	22 27
			Bonds	20,000 00
				$1,107,251 43

The President remarks, in concluding his report, that the future prospects of the company are better than at any time during the past two years, and we believe that it will be in a condition to resume the payment of dividends by the first of January next.

ASSISTANT TREASURER'S STATEMENT FOR OCTOBER.

The following is the official statement of the business of the office of the Assistant Treasurer of the United States, in New York, for the month of October, 1868:

RECEIPTS AND DISBURSEMENTS.

Balance, September 30, 1868		$94,499,990 11
Receipts during the month:		
On account of customs	$10,448,222 94	
do Gold notes	5,208,260 00	
do Internal revenue	244,786 33	
do Three per cent Certificates	5,810,000 00	
do Post-office Department	412,408 04	
do Transfers	10,892,000 00	
do Patent fees	5,576 20	
do Miscellaneous	12,655,385 12	
do Disbursing accounts	11,000,137 83	
do Assay office	54,216 97	
do Interest accounts	18,049 22—	56,749,293 25
Total		$151,249,283 36
Payments during the month:		
Treasury drafts	$44,263,163 55	
Post-office drafts	933,797 55	
Disbursing accounts	13,394,559 00	
Assay-Office	298,679 45	
Interest accounts, viz.:		
In coin	341,449 41	
In currency	18,019 22—	59,249,668 18
Balance		$91,999,615 18
Balance to Cr. Treasurer U. S	$79,798,155 57	
Balance to Cr. disbursing accounts	10 239,952 52	
Balance to Cr. Assay office	1,961,507 09	
Balance to Cr. Interest accounts	91,999,615 18	
Receipts for Customs in the month of Oct., 1868		$10,448,222 94
Receipts for Customs in the month of Oct., 1867		9,082,986 27
Increase for Oct., 1868		$1,365,236 6

UNITED STATES ASSAY OFFICE FOR OCTOBER.

Statement of business at the United States Assay Office at New York, for the month ending October 31, 1868:

DEPOSITS OF GOLD.

Foreign coin	$55,000 00	
Foreign bullion	10,000 00	
United States bullion	950,000 00	
		$1,015,000 00

DEPOSITS OF SILVER, INCLUDING PURCHASES.

Foreign coin	$38,000 00	
Foreign bullion	20,000 00	
United States bullion (contained in gold)	12,000 00	
Colorado	4,000 00	
Lake Superior	3,000 00	
Nevada	8,000 00	
		$85,000 00
Total deposits, payable in bars	$220,000 00	
Total deposits, payable in coins	880,000 00	
		$1,100,000 03
Gold bars stamped		1,392,737 23
Transmitted to U. S. Mint, Philadelphia, for coinage		66,424 3

COMMERCIAL CHRONICLE AND REVIEW.

Stringency in the Money Market -Activity in the Stock Market—Bonds sold at the New York Stock Exchange Bond—Prices of Government Securities at New York—Course of Consols and American Securities at London - Miscellaneous Securities—General Movement of Coin and Bullion at New York—Course of Gold at New York—Course of Exchange at New York.

October has been characterized by one of those periods of excessive stringency in money, which appear to have become regularly periodic in the fall and spring months. The preparation for the quarterly bank statement caused less disturbance than had been anticipated, owing to the demand for moving the Western crops having been checked by the refusal of the New York grain merchants to buy produce at the then current high prices. In the early part of the month, however, there was a steady drain of funds to the banks of the minor cities, causing a loss of deposits and of legal tenders, and a firm 7 per cent rate of interest. About the middle of the month the market suddenly assumed a stringent aspect, the banks having little to lend, and the large balances in the hands of private bankers, which had for some time kept money easy, finding ready employment at rates much above the legal limit. With the exception of the banks and a few private bankers who, on principle refuse to accept over the legal interest, lenders obtained during the latter part of the month rates varying from 7 per cent in gold to ¼ per cent per day from borrowers on stock collaterals. Discounting operations suffered a severe check. The mercantile banks have been unable to meet fully the wants of their customers; who, however, would have suffered more in consequence had it not been that their wants were strictly moderate. An unusual amount of paper was thrown upon the street for negotiation, and the very choicest names were sold with much difficulty at from 8@12 per cent. The inability of the banks to re-discount grain bills caused the failure of some firms West and at Buffalo, and produced in consequence a heavy decline

in breadstuffs. Otherwise, the mercantile community has not suffered materially; but there is no doubt an accumulation of paper in the hands of dealers which must cause a heavy pressure for discounts ere long. The following statement will show the changes in the condition of the associated banks during the month:

	Sept. 26.	Oct. 31.	Changes.
Loans and discounts	$271,273,000	$262,365,000	Dec. $8,908,000
Specie	12,603,000	10,620,000	Dec. 1,983,000
Circulation	34.050,000	34,253,000	Inc. 203,000
Deposits	202,068 000	181,948,000	Dec. 20,120,000
Legal tenders	63,587,000	51,590,000	Dec. 11,997,000

The loss of $20,000,000 of deposits and of $12,000,000 of legal tenders, with a reduction of only $9,000,000 in loans, is quite sufficient to account for the extreme stringency that has prevailed. It is not, however, so easy to account for these violent changes. There has certainly been no outflow of legal tenders, either to the banks of other cities or into the Sub-Treasury, at all proportioned to the reduction shown in this comparison; and it therefore seems impossible to evade the conclusion that a large amount of funds has been withdrawn from the banks and hoarded by speculators, for the purpose of embarrassing the market and forcing a decline in securities. The pressure has compelled the banks to take in for redemption about $11,500,000 of 3 per cent certificates, within the month; which amounts to a contraction of the circulation to that extent, the Secretary of the Treasury having determined that the certificates are not reissuable.

The following comparison shows the totals of the statements of the New York banks at the close of each week in October and at the close of October, 1867:

	Oct. 3.	Oct 10.	Oct. 17.	Oct 24.	Oct. 31.	Oct. 26, '67.
Loans and dis..	$269,553,868	$265,595,582	$264,644,035	$263,579,133	$262,365,569	$246,810,718
Specie	11,757,335	9,346,097	9.1[illegible]6,620	9,553,583	10,620,52[illegible]	6,161,164
Circulation	34,154,806	34,188 103	34,213 948	34,193,938	34,253,210	33,959,080
Deposits	194,919,177	189,053,997	188,330,586	186,052,847	181,948,547	173,064,128
Legal Tenders.	60,240,447	60,005,086	58,626,857	56,711,434	51,590,948	56,381,943

The following are the rates of Loans and Discounts for the month of October:

RATES OF LOANS AND DISCOUNTS.

	Oct. 2.	Oct. 9.	Oct. 16.	Oct. 23.
Call loans	7 @—	6 @ 7	6 @ 7	7 @10
Loans on Bonds and Mortgage	—@ 7	—@ 7	—@ 7	—@ 7
A 1, endorsed bills, 2 mos	6 @—	6½@—	6½@—	7 @—
Good endorsed bills, 3 & 4 mos	—@ 7	—@ 7	—@ 7	7 @ 8
" " single names	7 @ 7½	7 @ 7½	7 @ 7½	7 @ 8
Lower grades	8 @10	8 @10	8 @10	8 @10

The stock market has exhibited unusual activity, the combined sales at both boards having amounted to 2,362,000 shares, against 1,800,000 shares in October, 1867. The severe stringency in money has been accompanied with special efforts to break down stocks, and the attempts have been partially successful, but less so than might have been expected. Cliques, who are holding very large amounts of stock, have secured their position by time loans, extending to the close of the year; which mainly accounts for the comparative firmness of the markets.

The following statement shows the sales of the several classes of stocks at both boards during October:

Classes.	1867.	1868.	Increase.	Dec
Bank shares	1,886	2,383	497	.....
Railroad "	1,536,572	2,013,944	477,372	.....
Coal "	4,080	6,209	2,129	....
Mining "	19,800	109,189	89,389	.....
Improv'nt "	13,200	19,775	6,575	.....
Telegraph "	129,734	44,333	.....	85,401
Steamship "	47,337	109,833	62,496	.....
Expr'ss&c "	47,783	56,361	8,578	.....
Total—October	1,800,392	2,362,027	561,635	..
" —since January 1	18,151,147	16,906,045	.....	1,245,102

The several classes of securities have suffered less from the monetary pressure than might have been expected. Governments, indeed, have advanced steadily in the face of the growing stringency and at the close prices were 2@3 per cent above the opening quotations. The result of the October elections appears to have induced among dealers and speculators a good deal of buying, on the assumption that the election of Gen. Grant to the presidency would be accompanied with a material advance in the price of bonds. The fact that bonds have this week declined 3@4 per cent, shows that the over-discounting of future events is apt to reverse the results anticipated. The speculative transactions have been large, and the sales at the board for the month aggregate $23,479,000 against $17,649,000 for the same period of last year, as will appear from the following statement:

BONDS SOLD AT THE N. Y. STOCK EXCHANGE BOARD.

Classes.	1867.	1868.	Inc.	Dec.
U. S. bonds	$17,649,500	$23,479,150	$5,829,650	$.......
U. S. notes	3,041,900	......	......	3,041,900
St'e & city b'ds	3,881,500	11,145,100	7,263,600	....
Company b'ds	892,200	2,031,400	1,139,200	....
Total—October	$25,465,100	$36,655,650	$11,190,550	....
" —since Jan. 1	177,509,730	195,521,090	18,011,360	....

The daily closing prices of the principal Government securities at the New York Stock Exchange Board in the month of October, as represented by the latest sale officially reported, are shown in the following statement:

PRICES OF GOVERNMENT SECURITIES AT NEW YORK.

Day of month.	6's, 1881. Coup.	6's, 1881. Reg.	6's, (5-20 yrs.) Coupon 1862.	1864.	1865.	new.	1867.	1868.	5's, 10-40 yrs. C'pn.
1	113	112½	112¼	110	109⅞	108¼	108⅛	.....	104½
2	.....	.....	112⅜	110¼	110⅛	108¼	108⅜	.....	.....
3	113⅛	112⅛	113	110⅜	110⅞	108½	108⅝	108⅞	.....
5	113¾	.....	113	110⅜	110⅝	108⅜	108⅝	109	104⅝
6	113¾	113	113	.....	110⅝	108½	108⅞	109⅛	.....
7	....	.....	113¼	110⅛	110⅞	108⅞	109	....	105
8	113⅞	113	113	110¼	110⅛	108⅝	108¾	109⅛	105⅛
9	.....	112⅞	112⅝	110¼	110½	108⅝	108¾	.....	105
10	.....	112¾	112½	110⅛	110⅜	108½	108⅝	.....	105⅛
12	.....	113	112¾	110¼	110½	108½	108⅞	109¼	105⅛
13	114¼	113⅛	.....	110¾	111	108⅞	109	109½	105¼
14	114⅝	113¾	113⅛	111	111⅛	109½	109⅝	109¾	...
15	115⅛	114	113¾	111½	111¾	110	110	111¼	105⅞
16	115¼	114⅛	114¼	112	112	110⅛	110¾	111⅛	105⅝
17	115¾	114½	114⅜	111⅛	111⅜	110⅞	111⅛	111¼	106¼
19	116¼	115	114¾	112⅝	112⅜	111⅝	111⅝	112	106½
20	116	.....	113⅞	111¾	111⅞	111	110⅝	111⅝	.....
21	115⅞	.....	113½	111¾	112¼	110¼	110⅜	110¼	105⅞
22	115⅝	.....	113⅝	111⅜	111⅞	110⅛	110⅞	111	105⅞
23	115½	.....	113⅜	111⅝	111¾	110⅜	110½	.....	105¾
24	.....	114⅛	113⅜	111⅝	111⅞	110⅜	110⅝	111	105¾
26	.....	....	112⅞	111¼	111⅛	110	110⅛	110⅝	105¼

27	114⅞	114¼	.....	.....	110⅝	109¾	110	.....	105⅝
28	.....	114	113	111	111¼	110	110⅛	110⅜	105⅝
29	115	113¾	113	111¼	111¼	110	110⅜	.....	.....
30	.....	114	113⅛	111⅜	111⅞	110⅝	110⅞	111	106¼
31	115⅜	114	113⅝	.....	112¼	110⅞	111⅛	111¾	106⅝
First	113	112⅜	112¼	110	108⅞	108¼	108⅛	108⅞	104⅛
Lowest	113	112⅛	112¼	110	109⅞	108¼	108⅜	108⅞	104⅜
Highest	116¼	115	114¾	112⅜	112⅝	111⅝	111⅝	112	106⅜
Range	3¼	2⅞	2⅛	2⅜	2¾	3⅜	2⅝	3⅛	2
Last	115⅜	114	113⅝	111⅜	112¼	110⅞	111⅛	111¾	106⅝

The closing prices of Consols for money and certain American securities (viz U. S. 6's 5-20's 1862, Illinois Central and Erie shares) at London, on each day of the month of October, are shown in the following statement :

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON.

Date.	Cons for mon.	Am. securities. U. S. 5-20s	Ill.C. sh's.	Erie shs.	Date.	Cons for mon.	Am. securities. U.S. 5-20s	Ill.C. sh's.	Erie sh's.
Thursday 1	94⅛	73⅝	96	31⅛	Thursday 22	94½	73⅜	97	31⅛
Friday 2	94⅛	74⅛	97	32⅛	Friday 23	94⅛	73⅛	97	31⅛
Sat'day 3	94⅛	74	96¾	32¾	Saturday 24	94⅛	73¼	97	30⅜
Monday 5	94⅝	73⅞	96⅛	32¼	Monday 26	94⅛	73⅝	97¼	28⅜
Tu'sday 6	94⅛	73⅞	96	32	Tuesday 27	94½	73⅜	97	28¼
Wednesday 7	94⅛	74	95⅛	32	Wednesday 28	94⅝	73⅜	97	28¼
Thursday 8	94⅛	74¼	95¾	32⅜	Thursday 29	94⅜	73⅜	97	29¼
Friday 9	94½	74¼	95⅛	32⅛	Friday 30	94⅜	73⅛	97	28
Saturday 10	94½	74¼	95¾	32⅛	Saturday 31	94⅛	74	97½	28
Monday 12	94¾	74⅝	95¾	31¾					
Tuesday 13	94¾	74⅛	95¼	31⅛	Lowest	94⅜	72⅜	95¼	28
Wedney 14	94¾	74⅞	95¼	32¼	Highest	94¾	74½	97½	32¾
Thurs 15	94¾	xc72⅜	95⅛	32⅜	Range	⅜	2⅛	2¼	4¾
Friday 16	94¾	72⅛	96	32⅛					
Saturday 17	94¾	72⅞	96¼	32⅛	Low } Since Jan. 1	91⅞	70⅛	84¾	28
Monday 19	94⅝	73⅜	97	32⅛	Hig } Since Jan. 1	96⅛	74⅞	102	50⅛
Tuesday 20	94¾	73⅛	96½	32	Rng } Since Jan. 1	4⅝	4¾	17¼	22⅛
Wednesday 21	94⅛	72⅞	97	31⅛	Last	94⅛	74	97½	28

The closing prices of Five-Twenties at Frankfort in each week ending with Thursday, were as follows :

Oct. 1.	Oct. 8	Oct. 15.	Oct. 22.	Oct. 29.	Month.
76¼	76⅞@77	77⅜	78¼	78½@78⅝	76¼@79¼

The following table will show the opening, highest, lowest and closing prices of all the railway and miscellaneous securities quoted at the New York Stock Exchange during the months of September and October, 1868 :

	September. Open.	High.	Low.	Clos.	October Open.	High.	Low.	Clos.
Railroad Stocks—								
Alton & Terre Haut	43	46⅛	43	43	42½	45	40	40
do do pref.	64	65¾	63⅛	63⅛	....	....	....	....
Boston, Hartford & Erie	22⅛	23	22¾	23	23	27⅜	23	27⅛
Chicago & Alton	142	158⅛	141	150	150	155⅛	150	151⅛
do do pref.	144	158⅛	144	151	153	156	152	156
Chicago, Burl. & Quincy	....	....	....	. .	170	171	168	170
do & Gt. Eastern	40	40	38	40	40¼	40⅝	40	40¼
do & Northwest'n	84	90¾	84	88	88⅝	97¾	88⅝	92
do do pref.	84	91¼	83⅞	88⅜	88	98⅛	88	92⅞
do & Rock Island	102⅛	104⅛	100¾	102⅜	102⅛	109⅛	102	106⅛
Cleve., Col., Cin. & Ind.	81¼	82	79⅛	79½	79	80	75	77
do & Pittsburg	87	89	84⅝	84⅝	84¾	91⅛	84¾	88¾
do & Toledo	103	103¼	100¼	102	101⅛	106⅝	101¼	103
Del., Lack & Western	118⅛	122	118⅛	122	121⅛	132	121⅛	132
Dubuque & Sioux city	80⅛	101	80⅛	101	95	101	95	101
do do pref.	92⅛	97	92	93	95	95	95	95
Erie	47⅝	52⅛	46	46⅞	47	49⅛	38⅛	41¼
do pref.	70	70½	68	70⅛	70	71	65	65
Harlem	124	124	124	124	....	....	....	....
do pref.	122	122	122	122	....	. ..	....	....
Hannibal & St. Joseph	87	90	87	90	....	.	....	...
do do pref.	87	90	87	89⅛	89	89⅝	87	89

Hudson River	140	142	138	140⅛	139	139	134½	137¾
Illinois Central	145	146	143⅛	146	147½	147¾	143	145
Ind. & Cincinnati	51	51⅛	51	51⅛	50	50	50	50
Joliet & Chicago	....	....	....	....	96	96	96	96
Long Island	....	....	....	....	45	45	45	45
Lake Shore	98¼	101	96½	96½	99	102½	98¼	100¾
Mar. & Cincin., 1st pref.	....	....	...	....	25⅛	25⅛	23½	23½
do 2d pref.	....	....	...	....	9	10	9	10
Michigan Central	119	119	118	118½	119	119	118½	119
do S. & N. Ind.	85⅝	86¼	83	83	83¾	91	83⅜	87
Milwaukee & St. Paul	77¼	97¾	77¼	94	95½	111	93	102½
do do pref.	84	96	84	94⅜	93	112	93	102½
Morris & Essex	64	65½	63	65½	65½	66	65½	66
New Jersey	133½	134	132⅛	132½	134	134	120⅛	121
do Central	120	124	120	122	122¼	122⅛	119	120¼
New York Central	126	130¼	123	126¼	126¾	130½	123½	126⅝
do & N. Haven	140	141	140	141	141½	142	141½	142
Norwich & Worcester	92	92	92	92	....	....	....	....
Ohio & Mississippi	29	29⅞	28	28⅛	28½	32½	28½	31⅜
do do pref	89	89	78	78	78	79	78	79
Panama	364	369	360	360	345	345	330	3 0
Pittsb., Ft. W. & Chica.	108½	111¼	107	109	108⅝	117¾	108⅜	114¼
Reading	91	95½	89¼	93½	93⅜	100¼	93⅜	99⅝
Rome & Watertown	114	114	114	114	....	....	....	...
Stonington	80	83	80	83	....	....	....	....
Third Avenue	180	180	180	180	....	....	....	....
Toledo, Wab. & Western	53⅛	64	53⅛	59⅛	59	67	58½	64
do do do pref	73½	78	73½	78	76	78	73¾	74
Miscellaneous—								
Cumberland Coal	29¾	35	29¾	33	33	36	33	35
Del. & Hud. Canal Coal	128	132	127	127	128⅛	130½	128	129¾
Pennsylvania Coal	....	....	....	....	210	220	210	220
Spring Mountain Coal	....	....	....	....	40	40	40	40
Pacific Mail	101⅛	113⅛	101⅛	107	110	130¼	110	126¾
Atlantic do	20	21	20	21	....	....	...	....
Boston Water Power	15⅛	15⅛	15	15	16⅛	18⅞	15½	18
Canton	46	49¾	46	46	47	51½	47	48⅝
Brunswick City	7½	7⅛	7⅛	7½	9	12⅛	9	12½
Mariposa	3⅛	5⅛	3⅛	5½	5	8¼	5	8
do pref	8	12⅞	8	12⅝	13¼	24⅜	13¼	23½
Quicksilver	21	23½	20¼	22¾	21¼	27¾	21¼	24
Manhattan Gas	225	225	225	225	2 0	230	230	230
West. Union Telegraph	34⅛	34⅞	34	33⅞	34¼	38	34	36¾
Bankers & Brokers Ass.	106	106	104⅛	105¼	....	....	....	....
Express—								
American	44⅛	51	41⅛	48⅛	48	49	45⅛	46⅛
Adams	48¼	52¾	48	52⅞	52⅛	52½	49¼	50½
United States	41	51	41	50	49	50	47	47
Merchant's Union	1⅛	25¼	21⅛	24⅜	23⅝	28¾	21	21⅛
Wells, Fargo & Co.	25⅛	31⅛	25⅛	30	30½	31⅞	28¾	28¾

The course of the gold premium has been steadily downward, the price having opened at 140½ and steadily declined to 133⅝, at which figure it closed. The market has been freely supplied from sales by the Treasury, so that, at the close of the month, there was only $1,100,000 less in the banks than at the beginning, although the payments for customs and the exports combined amounted to $12,000,000. From a statement given below it would appear that $9,000 000 of gold has come from unreported sources; about one-half the amount has come from the sales of the Treasury and the balance probably represents gold that has passed out of private hands into the banks.

The following formula will show the movement of coin and bullion during the month of October, 1867 and 1868, comparatively:

GENERAL MOVEMENT OF COIN AND BULLION AT NEW YORK.

	1867.	1868.	Increase.	Decrease
In banks, near first	$9,496,163	$11,757,335	$2,261,172	$... ...
Receipts from California	2,539,284	902,788	......	1,436,496
Imports of coin and bullion	219,666	553,963	334,297	....
Coin interest paid	189,357	341,449	152,092	....
Redemption of loan of 1847-'48	....	38,300	38,300	....
Total reported supply	$12,244,470	$13,593,835	$1,349,365	$........

Exports of coin and bullion	$1,205,529	$1,602,804	397,275	$......
Customs duties	9,082,986	10,448,228	1,365,237	......
Total withdrawn	$10,288,515	$12,051,027	$1,762,512	$......
Excess of reported supply	$1,958,955	$1.542,808	$........	$411,147
Specie in banks at end	6,161,164	10,620,526	4,459,362	......
Derived from unreported sources	$4,207,209	$9,077,718	$8,870,509	$....

The following exhibits the fluctuations of the New York gold market in the month of October, 1868:

COURSE OF GOLD AT NEW YORK.

Date.	Openi'g	Lowest.	High'st.	Closing.	Date.	Openi'g	Lowest.	High'st.	Closing.
Thursday 1	140⅛	139⅝	140⅛	140⅛	Friday 23	135⅞	135	136	135
Friday 2	139¾	139¼	140⅛	139¾	Saturday 24	135	134⅜	135⅛	134⅝
Saturday 3	140⅛	139⅝	140⅛	140	Monday 26	133⅞	133¾	134⅝	134
Monday 5	140⅜	139⅞	140⅜	140	Tuesday 27	134⅝	134⅛	134⅞	134¼
Tuesday 6	140⅛	139¾	140¼	140¼	Wednesday 28	134¼	133⅞	134⅜	134⅜
Wednesday 7	140	139⅞	140⅛	140	Thursday 29	134⅜	134⅛	134⅝	134¼
Thursday 8	139⅛	138⅞	129⅛	139⅛	Friday 30	134⅜	134	134½	134⅛
Friday 9	139	138⅞	139¾	139	Saturday 31	134	133¾	134	133¾
Saturday 10	138⅞	138⅛	138⅞	138⅛					
Monday 12	138¼	137¼	138¼	137¾	Oct. 1868	140⅛	133⅜	140½	133¾
Tuesday 13	137⅝	137⅜	138	137⅜	" 1867	143⅜	140¼	145⅝	140⅝
Wednesday 14	137	136¾	137⅜	137¾	" 1866	146	145⅛	154⅛	146⅝
Thursday 15	137¾	137⅝	138⅛	138	" 1865	144⅛	144⅛	149	146⅛
Friday 16	137¾	137¼	137¾	137¼	" 1864	192	189	227¾	223⅜
Saturday 17	136¼	136⅛	137⅛	137	" 1863	149⅜	140⅜	156¾	145⅜
Monday 19	136¾	136⅝	137¼	137¼	" 1862	121⅞	122	133½	129⅜
Tuesday 20	137⅜	136⅞	137⅜	137					
Wednesday 21	136⅞	136⅛	136⅞	136⅛	S'ce Jan 1, 1868	133⅛	133¼	150	133¾
Thursday 22	135¾	135⅛	135⅞	135⅜					

The following exhibits the quotations at New York for bankers 60 days bills on the principal European markets daily in the month of October, 1868:

COURSE OF FOREIGN EXCHANGE (60 DAYS) AT NEW YORK.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1	108⅝@108⅞	520 @518¾	40⅝@40⅞	79 @79⅛	35⅝@35⅞	71⅛@71¼
2	108⅝@108⅞	520 @518¾	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
3	108⅝@108⅞	520 @518¾	40⅝@4 ⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
5	108¾@109	520 @517½	40¾@40⅞	79 @79¼	2 ⅝@35⅞	71⅛@71¼
6	108¾@108⅞	520 @518⅝	40⅝@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
7	108⅜@108⅞	520 @518⅜	40¾@40⅞	79 @79¼	35⅝@35⅞	71⅛@71¼
8	108⅜@108⅞	520 @518¾	40¾@40⅞	79 @79⅛	35⅝@35⅞	71⅛@71¼
9	109⅛@109¼	518¾@517½	40¾@40⅞	79⅛@79¼	35¾@35⅞	71⅜@71½
10	109⅛@109¼	518¾@517⅝	40¾@40⅞	79⅛@79¼	35¾@35⅞	71⅜@71½
12	109⅜@109⅝	517½@516¼	40¾@41	79⅝@79¾	35¾@36	71⅞@72
13	109½@109⅝	517½@516¼	40¾@41	79⅝@79¾	35¾@36	71⅞@72
14	109⅝@109¾	516¼@513¾	40¾@41	79⅝@79¾	35¾@36	71⅞@72
15	109⅝@109¾	516¼@515	41 @14⅛	79⅜@79½	36 @35⅛	71½@71⅝
16	109⅜@109½	517⅛@516¼	41 @14⅛	79⅜@79½	36 @36⅛	71½@71⅝
17	109¼@....	517⅛@516¼	41 @14⅛	79⅜@79⅝	36 @36⅛	71½@71⅝
19	109⅜@	517⅛@516¼	40¾@40⅞	79¼@79⅜	35⅞@36	71⅜@71½
20	109⅜@109½	516⅞@515	40¾@40⅞	79¼@79⅜	35⅞@36	71⅜@71½
21	109⅜@109½	516⅞@515	40¾@40⅞	79¼@79⅜	35⅞@36	71⅜@71½
22	109⅜@109⅝	517½@516¼	40⅞@41	79⅜@79½	35⅞@36	72⅛@....
23	109⅝@109¾	516¼@515	40⅞@41	79⅜@79⅝	35⅞@36	72⅛@....
24	109⅝@109¾	516¼@515	40⅞@41	79⅜@79⅝	35⅞@36	72⅛@....
26	109⅞@110	515 @514⅜	41 @41⅛	79⅜@79⅝	36 @36⅛	71⅝@71¾
27	110 @110⅛	514⅜@513¾	41 @41⅛	79⅜@79⅝	36 @36⅛	71⅝@71¾
28	110 @110⅛	514⅜@513¾	41 @41⅛	79⅜@79⅝	36 @36⅛	71⅝@71¾
29	109¾@109⅞	515 @513¾	41 @41⅛	79⅜@79⅝	36 @36⅛	71⅝@71¾
30	109¾@109⅞	515 @513¾	41 @41⅛	79⅜@79½	35 @36⅛	71⅝@71¾
31	109¾@109⅞	515 @513¾	41 @41⅛	79⅜@79⅝	36 @36 ⅛	7⅝@71¾
Oct., 1867	108⅝@110⅛	520 @513¾	40¾@41⅛	79 @79⅜	35¾@36⅛	71½@72⅛
Oct., 1868	108⅝@109⅞	521¼@515	40¾@41⅛	78⅜@78	35¾@36¼	71⅜@72

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Returns of the New York, Philadelphia and Boston Banks.

Below we give the returns of the Banks of the three cities since Jan. 1 :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	L. Tend's.	Ag. clear'gs.
January 4...	$249,741,297	$12,724,614	$34,134,392	$187,070,786	$62,111,201	$483,266,304
January 11...	253,170,723	19,222,856	34,094,137	194,835,525	64,753,116	553,884,525
January 18 ...	256,033,938	23,191,867	34,071,006	205,883,143	66,155,241	619,797,369
January 25 ...	258,392,101	25,106,800	34,0[illegible]2,762	210,093,084	67,154,161	528,503,223
February 1...	266,415 613	23,955,320	44,062,521	213,330,524	65,197,153	637,449,923
February 8...	270,555,356	22,823,372	34,096,834	217,844,548	55,846,259	597,242,595
February 15...	271,015,970	24,192,955	34,043,296	216,759,828	63,471,762	550,521,185
February 21...	267,763,643	22,513,987	34,100,023	209,095,351	60,868,930	452,421,592
February 29...	267,240,678	22,091,642	34,0[illegible]6,223	208,651,578	58,553,607	705,109 784
March 7......	269,156,636	20,714,233	34,153 957	207,737,080	57,617,044	619,219,598
March 14......	266,816,034	19,744,701	34,218,381	201,188,470	54,738,866	691,277,641
March 21......	261,4[illegible]6,900	17,944,308	34,212,571	191,191,526	52,261,086	649,482,341
March 28	257,378,247	17,323,367	34,190,808	186,525,128	52,123,078	557,843,908
April 4.......	254,287,891	17,077,299	34,227,108	280,956,846	51,709,706	567,783,138
April 11.......	252,936,725	16,343,150	34,194,272	179,851,880	51,982,609	493,371,451
April 18.......	254,817,936	16,776,542	34,218,581	181,832,523	50,833,660	623,713,923
April 25.......	252,314,617	14,943,547	34,227,624	180,307,489	53,866,757	302,784,154
May 2.......	257,623,672	16,166,373	84,114,843	191.206.135	57,863,599	588,717,892
May 9.......	265,755,883	21 286,910	34.205,409	199,276,568	57,541,827	507,028,567
May 16.......	267,724,783	20,939,142	34,193,249	201,313,305	57,613,095	480,186,908
May 23.......	267,381,279	20,479,947	34,183,038	202,507,550	62,223,002	488,735,142
May 30.......	268,117,490	17,861,088	34,145,606	20[illegible],746,964	65,633,964	602,118,248
June 6.......	273,792,267	14,328,531	34,188.159	209,089,655	68,822,023	640,663,329
June 13.......	275,142,024	11,193,631	34,166,846	210,670,765	69,202,840	530.328,197
June 20	274,117,608	9,124,830	34,119,120	211,484,387	72,567,582	553,983,817
June 27.......	276,504,[illegible]36	7,753,300	34,048,721	214,302,207	73,853,303	516,726,075
July 3.......	281,945,931	11,954,730	34,032,466	221,050,806	72.125,939	525,646,693
July 11.......	284,147,708	19,235,348	34,068,202	224,320,141	68,531,542	591,756,395
July 18.......	282,912,490	20,399,031	34,004,111	228,130,749	71,847,545	505,462,464
July 25.......	280,345,255	20,804,101	33,963,373	2[illegible]6,761,662	72,235,583	487,169,387
August 1	279,311,657	20,502,737	33,957,305	228,104,867	73,638,061	409,[illegible]34,169
August 8	279,705,786	24,784,427	31,074,374	231 716,492	74.051,548	587 004,381
August 15	277,808,620	22,953,85[illegible]	34,114,087	223,561,087	72 9[illegible]5,481	482,533,952
August 22	275,345,781	19.768,681	34,137,627	216,435,405	69,757,645	610,308,55[illegible]
August 29	271,780,726	16,949,108	34,112,139	210,334,646	67,757,376	480,785,665
September 5	271,830,696	16,815,778	34,170,419	207,854,341	65,983,773	470,036.175
September 12.	272,055,690	16,150,942	34.139.926	205,489,070	63,429,337	493,19[illegible],072
September 19.	271,25[illegible],096	14,665,742	34,044,693	202,824,583	63,772,700	518,471,5[illegible]2
September 26.	271,273,544	12,603,483	34,050,771	202,068,334	63,587,576	620,105,004
October 3....	269,5[illegible]3,868	11,757,335	34,154,806	194,919.177	60,2[illegible]0,4[illegible]7	747.618,516
October 10....	265,595,582	9,346,097	34,188,103	189,053,997	60,[illegible]05,986	657,958,155
October 17....	264.644,[illegible]35	9,186,620	34,218,918	188,880,586	58,626,857	635,516,454
October 24....	263 579,133	9.553,583	34.193,938	186,05[illegible],847	56,711,434	850,584,443
October 31....	262,365,569	10,620,526	34,2[illegible]3,210	181,948,547	51,590,9[illegible]8	809,45[illegible],542

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
January 4.............	$ 6,782,432	$52,002,304	$235,912	$10,639,000	$36,621.274
January 11.............	16,037,995	52,593,707	400,615	10,639,096	37,131,830
January 18	16,827,423	53,013,196	320,973	10,641,752	37,457,089
January 25	16,836,937	52,325,599	279,393	10,645,226	37,312,540
February 1............	17,064,18[illegible]	52,604,916	248,673	10,638,927	57,922,287
February 8............	17.063,716	52,672,448	287,878	10,635,926	37.396,653
February 15..	16,9[illegible]9,944	52,532,946	263,157	10,663,328	37,010,520
February 22... . ..	17,573,149	52,423,166	204,929	10,632,495	36,453,464
February 29	17,877,877	52,459,757	211,365	10,634,484	35,798,314
March	17,157,954	53,081,665	232,180	10,633,713	34,826,861
March 14.	16,662,299	53,367,611	251,051	10,631,399	94,523,550
March 21	15,664,946	53,677,337	229,518	10,643,613	33,836,996
March 28.............	14,248,391	53,450,878	192 858	10,643,606	32,428,390
April 4	13,208,625	52,209,234	215,835	10,642,670	31,278,119
April 11..	14,194,385	52,256,949	250,240	10.640,932	32,255.671
April 20............ ...	14,493,287	52,989,780	222,229	10,640,479	33,950,952
April 27	14,951.106	52,812,623	204,699	10,640,312	34,767,190
May 4..	14,990,832	53,333,740	314,366	10,631,044	35,109,937
May 11....	15,166,017	53,771,794	397,778	10,629,0[illegible]5	36,017,596
May 18....	15,381,545	53,494,583	3[illegible]3,525	10,632,665	36,030,063
May 25....	15,823,099	53,463,225	280,302	10,661,276	36,000,297
June 1............ ..	16,184,865	53,562,449	239,371	10,626,937	36,574,457
June 8...	16,073,308	53,491.364	226,581	10,630.945	42,910,499
June 15	15,837,117	53,122,521	175,308	10,630,979	43,016,968

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
June 22	15,993,145	53,381,820	182,711	10,631,220	43,243,562
June 29	16,414,877	53,072,878	198,563	10,630,307	43,936,629
July 6	16,448,153	53,653,471	233,906	10,625,426	44,824,398
July 13	16,664,232	53,791,596	182,524	10,626,214	45,156,620
July 20	16,747,440	53,994,618	188,252	10,647,852	45,637,975
July 27	16,855,894	54,024,355	195,886	10,622,247	45,583,220
August 3	17,402,177	54,341,163	187,281	10,623 646	47 205,867
August 10	17,792,508	54,592,015	184,007	10,622,751	45,04[illegible],718
August 17	17,819,300	54,674,758	196,530	10,624,772	46,636,377
August 24	17,[illegible]14,195	55,151,724	185,186	10,623,360	45,985,616
August 31	17,616,325	55,255,474	181,268	10,622,581	46,063,150
September 7	16,875,409	55,684,068	222,900	10,622,316	45,279,109
September 14	16,810,565	55 646,740	209,053	10,613,974	44,730,328
September 21	15,857,032	55,620,710	197,207	10,620,531	43,955,531
September 28	16,038,854	55,468,286	234,552	10,607,940	44,227,127
October 5	15,677,539	55,248,512	195,689	10,608,33[illegible]	43,525,479
October 12	15,082,008	55,373,834	161,282	10,607,413	42,713,623
October 19	14,821,796	55,401,115	200,598	10,610,700	42,676,626
October 26	14,546,736	54,964,488	176,595	10,609,359	41,698,881

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, $41,900,000.)

Date.	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation— National.	Circulation— State.
January 3	$34,960,249	$1,466,246	$15,543,169	$40,856,022	$24,636,559	$228,730
January 13	97,800,239	1,276,987	15,560,965	41,496,820	24,757,965	227,953
January 20	97,433,463	926,942	15,832,769	41,904,161	24,700,001	217,372
January 27	97,433,435	841,196	16,349,637	43,991,170	14,564,[illegible]06	226,258
February 3	96,895,260	777,627	16,738,229	42,891,128	24,628,103	221,560
February 10	97,973,916	652,939	16,497,643	42,752,067	24,850,926	221,700
February 17	98,218,828	605,740	16,561,4[illegible]1	41,502,550	24,850,055	220,452
February 24	97,469,436	616,953	16,309,501	40,387,614	24,686,212	216,490
March 2	100,243,692	633,332	16,304,846	40,954,936	24,876,089	2[illegible]5,214
March 9	101,559,361	867,174	15,556,696	39,770,418	24,987,700	210,162
March 16	101,499,611	918,485	14,582,342	39,276,514	25,062,418	197,720
March 23	100,109,595	798,606	13,712,560	37,022,546	25,094,253	197,289
March 30	99,132,268	685,034	13,736,032	36,184,640	24,983,417	197,079
April 6	97,020,925	731,540	13,004,924	36,008,157	25,175,194	168,023
April 13	97,850,230	873,487	12,522,035	36,422,929	24,213,014	167,013
April 20	98,906,805	805,486	11,905,603	36,417,890	24,231,958	166,962
April 27	98,002,348	577,[illegible]63	12,298,545	36,259,946	25,231,978	164,331
May 4	97,624,197	815,469	12,656,190	37,635,406	25,203,234	160,385
May 11	97,332,283	1,133,668	11,962,368	37,358,776	25,225,173	145,248
May 18	96,938,524	1,186,881	12,199,422	37,844,742	25,234 465	160,241
May 25	97,041,720	1,018,809	12,848,141	38,398,14[illegible]	25,210,660	160,151
June 1	97,458,997	766,553	14,188,806	40,311,569	25,204,939	159,560
June 8	98 116,632	631,149	14,368,900	41,470,376	25,194,114	159,313
June 15	99,513,988	561,990	14,373,575	41,738,706	25,190,565	159,150
June 22	99,389,632	476,433	14,564,614	42,583,871	25,197,317	158,908
June 29	99,477,074	436,699	15,195,550	42,506,316	25,182,920	158,812
July 6	100,110,830	1,617,638	15,107,307	43,458,654	25,214,100	144,689
July 13	101,493,516	1,198,529	15,743,211	43,116,765	25,216,184	141,538
July 20	102,430,433	1,521,393	15,469,406	43,876,300	25,218,727	135,799
July 27	102,408,771	785,641	15,837,748	43,580,894	25,254,906	142,450
August 3	102,[illegible]80,658	7[illegible]6,254	15,796,059	43,389,523	25,016,492	......
August 10	103,860,686	634,963	15,753,958	44,962,268	25,197,164	......
August 17	103,956,603	664,696	15,554,580	43,702,501	25,182,658	......
August 24	103,624,691	779,192	16,310,323	42,360,049	25,214,5[illegible]6	......
August 31	103,550,020	767,819	15,843,796	41,214,607	25,190,091	......
September 7	103,853,110	833,063	14,975,841	40,891,745	25,196,084	......
September 14	102,921,733	748,714	13,774,330	40,640,820	25,183,876	......
September 21	102,472,936	642,793	13,466,258	39,712,168	25,184,048	......
September 28	101,621,744	642,829	14,022,447	39,127,659	25,150,081	......
October 5	99,562,844	618,428	13,923,894	39,215,483	25,143,517	......
October 12	100,839,722	505,805	13,691,864	38,801,454	25,282,882	......
October 19	102,595,177	501,008	13,009,829	38,686,344	25,267,095	......
October 26	101,595,576	481,755	11,915,738	37,872,697	25,168,348	......

BOOK NOTICES, &c.

Mr. Van Nostrand will begin, in January, the publication of a new monthly magazine, whose title sufficiently indicates its purpose. It will be called the *Eclectic Engineering Magazine,* and will be conducted by Mr. A. L. Holley, a well-known American engineer. It will not consist entirely of original articles; the prospectus explains that the object of the conductor and publisher is "to present within limits of space and cost that all can afford, the cream of not less than fifty engineering, mechanical, chemical and metallurgical publications. The French and German magazines will be largely translated, and papers and discussions before societies will be condensed." This will certainly be a very useful and interesting addition to our Magazine literature.